TOUCHE ROSS & CO.

CONFIDENTIAL

CATALOGUED

PROVINCE OF PRINCE EDWARD ISLAND

AN EFFECTIVE MUNICIPAL

GRANTS PROGRAM FOR THE FUTURE

JANUARY, 1975

TOUCHE ROSS & CO.

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Mr. Clive H. Stewart,
Deputy Minister,
Department of Community Services,
P.O. Box 2000,
Charlottetown, Prince Edward Island

Dear Sir:

On August 15, 1974 we were authorized to carry out a study of the municipal grants system and to make recommendations for an effective grants program for the future. We take pleasure in submitting our report entitled "An Effective Municipal Grants Program for the Future" which we trust meets with your approval and which will be helpful in implementing a more effective municipal grants program for the future.

Yours truly,

Touche, Ross - Co.

January, 1975.

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INTRODUCTION

INTRODUCTION

A APPROACH TAKEN

This study was authorized on August 15, 1974 by Minute No. M98/74 of the Executive Council. The study was to be a detailed review of the provincially sponsored municipal grant system. The purpose of the study was summarized by the Honourable Gilbert Clements, Minister of Community Services when he stated that the firm of Touche Ross & Co. would conduct a study and make recommendations for "a more equitable, effective and financially responsible system for the consideration of government".

The study divided into three parts: fact finding, analysis and development of recommendations. The fact finding divided into two main streams. One stream was concerned with a detailed examination of the existing grant structure in Prince Edward Island and a review of developments in recent years; the other stream was concerned with an analysis of the grant structure in other provinces.

During the fact finding stage meetings were held with the City of Charlottetown, the Town of Summerside and the Executive of the Federation of Prince Edward Island Municipalities. At the semi-annual meeting of the Federation held in Borden on October 30 the preliminary findings were presented and submissions requested. A number of municipalities responded.

During the analysis or critique stage of the study the grant structure of other provinces was compared with that of Prince Edward Island. This was hindered slightly by the lack of truly comparable and timely data.

Against this inter-provincial background a detailed analysis was made of the Prince Edward Island program in terms of;

i) total dollars,
ii) per capita,
iii) as a percentage of expenditure,
iv) per $100 of assessment.

Based on this critique a new grant program was developed. The criteria developed for the new program were that it should continue to be simple; that it should as much as possible be unconditional rather than conditional; that it should be more equitable than the current program; and finally that it should be adequate.

These criteria present a dilemma because if applied stringently they will result in a more responsible system of municipal government. A responsible system, however, often requires difficult and hard decisions in that responsible government includes responsibility for raising revenue.

In conclusion it should be made clear that this was truly an independent study. Government officials were co-operative, indeed generous of their time in the fact finding stage. However, the analysis and development of recommendations were entirely the work of the consultants. Accordingly the consultants have sole responsibility for the recommendations.

B RECOMMENDATIONS

Chapter II deals with the existing grant program in Prince Edward Island. It notes that the system in Prince Edward Island is relatively simple and that there was a dramatic change in 1974. The actual changes are described and the amounts are shown in tabular form in the chapter and in more detailed Schedules in Appendix II.

The basic system in Prince Edward Island consists of one major unconditional grant - the Per Capita Grant - plus three conditional grants - a Fire Fighting Assistance Grant, Streets Grants (Designated and Non Designated) and a Sewage Treatment Grant. Prior to 1974 (and perhaps after 1974) there were also Other Grants. All grants are described in Chapter II.

The Tables and Schedules show the grants in the following fashion;

Charlottetown,
Summerside,
Other Towns,
Villages,
Total.

There is a separate sub section in the text on Grants to Community Improvement Districts.

Chapter III and Appendix I present the inter-provincial comparison.

The body of Chapter III concentrates on an overview based on 1972 data while Appendix I is more descriptive regarding other grant programs. The overview concerns itself not only with grants per se but also with the broad issue of the provincial/municipal division of responsibility.

What emerges clearly from Chapter III is that Prince Edward Island is unique among Canadian provinces. On the one hand it has a more developed municipal structure than Newfoundland; on the other hand it is most comparable to Newfoundland when an analysis is done of the sharing of provincial/municipal responsibilities. No other provincial government,

not even New Brunswick, comes close to providing a larger degree of support to municipal government than do these two provinces, either through delivery of the service or by means of grants to municipal governments.

Given this knowledge a detailed analysis is made in Chapter IV of how the grant structure impacts on Charlottetown, Summerside, Other Towns and Villages. The dramatic changes between 1973 and 1974 are first delineated.

Then an analysis is made in terms of;

per capita,
percentage of expenditures,
per $100 of assessment.

The Tables for this analysis are in the body of the Report; the detailed Schedules are in Appexdix II.

Given the different expenditure responsibilities the per capita analysis indicates that the system is fair. However,the analysis of grants as a percentage of municipal expenditures clearly indicates that the current grant program favours Other Towns, and to a lesser extent Summerside, while penalizing Charlottetown. The analysis in assessment terms confirms this finding.

The final Chapter sets out the recommendations and the reasoning behind these recommendations. The recommendations are set forth here.

The text should be reviewed to determine the logic.

RECOMENDATION 1

A Single Department IT IS RECOMMENDED THAT THE CURRENT SYSTEM OF PROVIDING GRANTS TO MUNICIPAL GOVERNMENTS THROUGH A SINGLE DEPARTMENT BE CONTINUED.

RECOMMENDATION 2

A Single Unconditional Per Capita Grant IT IS RECOMMENDED THAT THE PER CAPITA GRANT, THE FIRE FIGHTING ASSISTANCE GRANT AND THE GRANTS FOR BOTH DESIGNATED AND NON DESIGNATED STREETS BE REPLACED BY A SINGLE ALL INCLUSIVE UNCONDITIONAL GRANT BASED ON POPULATION.

RECOMMENDATION 3

New Ratios IT IS RECOMMENDED THAT THE RATIO FOR THE NEW SINGLE ALL INCLUSIVE UNCONDITIONAL GRANT BE:

Charlottetown	1.7
Summerside	1.3
Other Towns	1.0
Villages	2/3

RECOMMENDATION 4

A Supplementary Equalization Grant IT IS RECOMMENDED THAT A SUPPLEMENTARY EQUALIZATION GRANT BE PAID TO ALL TOWNS WITH A 1974 PER CAPITA EQUALIZED ASSESSMENT BELOW $7,500 BASED ON THE FORMULA DESCRIBED.

RECOMMENDATION 5

Re-Allocation of Funds IT IS RECOMMENDED THAT THE SUGGESTED CHANGES IN THE GRANT PROGRAM BE EFFECTED BY A RE-ALLOCATION OF GRANTS AND NOT BY AN INCREASE IN THE TOTAL FUNDS AVAILABLE.

RECOMMENDATION 6

Villages -I IT IS RECOMMENDED THAT VILLAGES RECEIVE A SINGLE UNCONDITIONAL PER CAPITA GRANT IN PLACE OF THE PRESENT PER CAPITA AND FIRE FIGHTING GRANTS.

RECOMMENDATION 7

Villages-II IT IS RECOMMENDED THAT THE UNCONDITIONAL GRANT TO VILLAGES BE TRULY UNCONDITIONAL.

RECOMMENDATION 8

Community Improvement Districts IT IS RECOMMENDED THAT THERE BE NO CHANGE IN GRANTS TO COMMUNITY IMPROVEMENT DISTRICTS. IT IS FURTHER RECOMMENDED THAT GRANTS TO COMMUNITY IMPROVEMENT DISTRICTS BE REVIEWED AFTER TWO YEARS (1976) WITH A VIEW TO BRINGING THEM IN LINE WITH THE PRINCIPLES OUTLINED IN THIS REPORT.

RECOMMENDATION 9

Method of Review IT IS RECOMMENDED THAT ANY CHANGES IN THE GRANT STRUCTURE CONTINUE TO BE BASED ON SPECIFIC DECISIONS OF THE CABINET.

RECOMMENDATION 10

Sewage Treatment Grants IT IS RECOMMENDED THAT THE SEWAGE TREATMENT GRANTS SHOULD BE PRESERVED AND ENRICHED.

THE EXISTING GRANT PROGRAM IN PRINCE EDWARD ISLAND

CHAPTER II

THE EXISTING GRANT PROGRAM IN PRINCE EDWARD ISLAND

A OVERVIEW

As in other Canadian provinces, the provincial government of Prince Edward Island provides financial assistance to municipalities in the form of grants. Administration of the grant program is centred in one department, the Department of Community Services. This results in a relatively efficient system both for administrative purposes and for easy identification on the part of the municipalities of the grants available to them.

When examining provincial government grants to municipalities, the provincial-municipal delineation of functions should be kept in mind. In Prince Edward Island, the provincial government has sole responsibility for a wider range of functions including health, education and welfare than in most other provinces. Health and welfare have historically been responsibilities of the provincial government. Education did not become so until 1972. However, the provincial government of Prince Edward Island historically has paid a higher proportion of education expenditures than have most other provincial governments. Much of the provincial support has been in the form of grants to local school boards and local governments. Until 1972 grants for educational purposes were a very significant part of the overall grant structure.

Those functions that are solely municipal are relatively few and involve mainly the delivery of specified services related to property. Charlottetown, Summerside and Other Towns* are responsible for such services as protection to persons and property, provision of water and sewage facilities and construction and maintenance of certain roads and streets. Villages have fewer responsibilities than Charlottetown, Summerside and Other Towns. Most notably they do not bear the responsibility for roads and streets. Community Improvement Districts have even less responsibility than Villages.

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* Throughout this report, Summerside is treated separately from Other Towns because it has its own act of incorporation. All towns incorporated under The Town Act are referred to herein as Other Towns.

Grants from the provincial government are designed to assist local government to meet their service responsibilities. The major grant to municipalities is the Unconditional Per Capita Grant. There are also two major Conditional Grants: one for fire fighting and one for the construction and maintenance of roads and streets. A third Conditional Grant for sewage treatment facilities although relatively recent has expanded rapidly in the past few years.

Finally, there are a number of Other Grants or Special Purpose Grants given to various municipalities. Most are granted as a one time payment to municipalities with the exception of the City of Charlottetown which received several other small grants regularly over a period of years.

The size of a grant to a municipality is generally computed on one of two bases, or in some cases, in a combination of both. The amount may be calculated on a per capita basis and/or as a percentage of municipal expenditures.

An added factor in the calculation of a grant is the type of municipality receiving the assistance. Different levels of incorporated municipalities - i.e., Charlottetown, Summerside, Other Towns, Villages and Community Improvement Districts - are treated differently in respect of some grants.

Tables 2-I and 2-II show grants to local government by class of municipality and by functional classification for the period 1970-1974. In the period 1970-1973 the grants remained relatively stable. The most notable exceptions were grants for sewage which grew from nothing in 1970 to $42,676 in 1973.

The most dramatic changes, however, occurred in 1974. Total grants to municipalities increased by 83.33 per cent to $1,373,190 in 1974 with all classes of municipalities receiving considerably more money than in 1973. It was estimated that the City of Charlottetown would receive $553,644 in 1974, an increase of $277,798 over 1973; Summerside an additional $187,196 in grants; Other Towns an additional $106,190; and Villages an additional $52,996.

In terms of individual grants, Per Capita Grants to municipalities increased by $291,362, Fire Fighting Grants by $35,573, Street Grants by $225,434 and Sewage Grants by $157,324.

TABLE 2-I

Provincial Government Grants to Municipalities

By Class of Municipality, 1970-1974

	1970	1971	1972	1973	1974 (Est.)
Charlottetown	$ 267,374	$ 269,822	$ 275,846	$ 275,846	$ 553,644
Summerside	148,088	146,634	115,222	139,646	326,842
Other Towns	100,304	104,391	122,308	139,014	245,204
Villages	115,891	125,376	122,248	194,504	247,500
TOTAL	$ 631,657	$ 646,223	$ 635,624	$ 749,010	$ 1,373,190

TABLE 2-II

Provincial Government Grants to Municipalities

By Functional Classification, 1970-1974

	1970	1971	1972	1973	1974 (Est.)
Per Capita	$ 514,718	$ 521,426	$ 525,392	$ 533,638	$ 825,000
Fire Fighting	25,685	29,768	25,394	39,427	75,000
Streets	48,754	49,342	37,315	47,756	273,190
Sewage	-	1,672	5,023	42,676	200,000
Other	42,500	44,015	42,500	85,513	-
TOTAL	$ 631,657	$ 646,223	$ 635,624	$ 749,010	$ 1,373,190

Source: Schedules prepared from the Annual Report of the Department of Community Services and Departmental Working Papers.

Not only did the dollar value of the grants increase sharply in 1974 over 1973, but the nature of certain grants, most notably Conditional Grants for roads and streets, altered as well. The grant program was rationalized by eliminating Paving Assistance and Other Grants and by introducing Designated and Non Designated Street Grants. It should be noted that the changes made in 1974 were clearly viewed as interim measures applicable only until a new grant structure was devised.

B UNCONDITIONAL PER CAPITA GRANT

The major grant extended by the provincial government of Prince Edward Island to municipalities is the Unconditional Per Capita Grant. All incorporated municipalities with the exception of Community Improvement Districts are eligible for this grant and receive the grant on an annual basis.

In 1973 the Unconditional Per Capita Grant paid to municipalities totalled $533,638. This amount represented 71.25 per cent of total grants paid out by the provincial government to local government.

The estimates for 1974 indicate that the total Unconditional Per Capita Grant paid out will be $825,000 or 60.08 per cent of total grants.

The significance of the Unconditional Per Capita Grant is further illustrated by the fact that in 1973 this grant represented 83.23 per cent of the total grant paid to Charlottetown, 81.11 per cent of the total grant paid to Summerside, 56.65 per cent of the total grant paid to Other Towns and 57.59 per cent of the total grant paid to Villages. Estimates for 1974 indicate that the Unconditional Per Capita Grant will represent 62.20 per cent of the total granted to Charlottetown, 51.98 per cent of the total granted to Summerside, 65.54 per cent of the total granted to Other Towns and 60.60 per cent of the total granted to Villages. The dramatic increase in assistance for roads and streets accounts for the fact that the Unconditional Grant is a smaller proportion of the total amount granted.

First paid in 1947 at the rate of $1.00 per capita, the Unconditional Grant has increased incrementally over time. In 1973 Charlottetown, Summerside and Other Towns were receiving $12.00 per capita. In 1974 Per Capita Grants to Charlottetown, Summerside and Other Towns increased by 50 per cent from $12.00 to $18.00, the total grant not to exceed revenue from own sources.

Villages receive "matching" Per Capita Grants equal to revenue from their own sources. In 1973 Per Capita Grants to the Villages ranged from a minimum of $1.25 per capita to a maximum of $6.00 per capita. With very few exceptions all Villages qualify for the maximum. In 1974, grants to the Villages were also increased by 50 per cent from a maximum of $6.00 to a maximum of $9.00 per capita with no minimum applicable in future. The matching nature of the grant was retained so that in future the Unconditional Per Capita Grant must continue to "match" a Village's revenue from its own sources up to the maximum.

C FIRE FIGHTING ASSISTANCE GRANTS

The provincial government of Prince Edward Island also extends several Conditional Grants which by definition must be applied to the service which they are designed to support. Conditional Grants are often used to stimulate or encourage provision of certain services that a municipality might otherwise not be able to or not want to provide.

An example of Conditional Grants is the Fire Fighting Assistance Grant paid to municipalities of Prince Edward Island. First introduced in 1967, this grant has two identifiable purposes: one, the stimulation of service provision especially in the rural areas; and two, improvement of existing services.

Originally only those municipalities providing fire protection services to rural areas were eligible for this grant. Charlottetown was specifically ineligible and Summerside's grant was limited to $500 on the grounds that it only provided limited service to rural areas.

In 1974 all incorporated municipalities - Charlottetown, Summerside, Other Towns, Villages and Community Improvement Districts - became eligible for the grant whether they provided service to rural areas or not. Also the $500 limit on Summerside was lifted. Fire Fighting Assistance Grants are also extended to the various rural fire companies on the Island which are incorporated as companies and are granted financial assistance on the same basis as municipalities.

The size of the grant is based on both operating and capital expenditures. A municipality may qualify for Assistance Grants on major equipment and housing (15 per cent of the approved cost each year for four years - total 60 per cent) and in addition 35 per cent of approved operating costs, up to a maximum combined annual payment. This maximum payment was set at $1,500 in 1967, raised to $2,000 in 1972 and again raised to its present $2,500 in 1974. Of marginal significance are payments based on the number and types of fire calls answered.

The increased payments reflect the intent on the part of the provincial government to encourage both improvement of existing services and extension of new services. The impact of each incremental change in the maximum, however, is not felt until the succeeding year. Hence, an examination of the appropriate schedules will show a change from a maximum of $1,500 to a maximum of $2,000 although effected in 1972 does not show until 1973. This can be attributed to the fact that payments for 1972 are not made until 1973. This sort of delay also explains why in some years no payments are shown.

D STREET GRANTS

Provincial-municipal division of responsibility for the construction and maintenance of roads in Prince Edward Island varies from the situation in most other provinces. The provincial government has historically provided and maintained the road networks in rural areas whereas in many parts of Canada this has been the responsibility of local government. The provincial government also provides substantial assistance for road construction and maintenance in urban areas.

Prior to 1974 Charlottetown only received an annual payment of $3,750 toward the maintenance of the Victoria Park Roadway that runs past the residence of the Lieutenant-Governor. In the Villages, all roadwork was the responsibility of the Department of Highways.

In Summerside and Other Towns, however, the provincial government provided assistance in two ways: provision of the appropriate service by the Department of Highways and/or the provision of Conditional Grants to the municipality. In the past, this procedure has been somewhat inconsistent. With the substantial changes in the grant structure effected in 1974 assistance to municipalities for this service acquired consistency and clarity. The changes made in 1974 cannot be emphasized too strongly.

The substantive changes related to Charlottetown, Summerside and Other Towns. In the Villages and Community Improvement Districts the Provincial Department of Highways retained its previous responsibility for all roads to the extent that provincial standards are met. From 1974 onwards, however, Villages and Community Improvement Districts must assume the cost of items not normally required on provincial highways such as off-street parking areas and special lighting requirements.

Before 1974 Other Towns and Summerside received financial assistance from the provincial government toward the cost of construction and maintenance of approved streets. After receiving and approving a town's plan for road work, the provincial government would grant to the municipality 60 per cent of the cost up to a maximum grant of $7,000 plus $2.00 per capita.

This grant was extended only to Summerside and Other Towns. Charlottetown was not eligible for assistance. Indeed before 1974 Charlottetown received no assistance for roads and streets within its boundaries beyond the $3,750 granted to assist in the maintenance of the Victoria Park Roadway.

It was decided that commencing in 1974 the Provincial Department of Highways would be responsible for designating all streets within the boundaries of municipalities considered to be arterial or collector provincial highways. All other streets are termed non designated. No attempt to distinguish streets in this manner had been made previously.

Designated streets (i.e. arterial or collector provincial highways) are henceforth the responsibility of the provincial government in Other Towns. Summerside and Charlottetown are exempt.

Special arrangements have been made regarding designated streets in Charlottetown and Summerside. In lieu of performing the work the provincial government will make annual payments to these two municipalities. The present payment is set at the rate of $13,800 per mile of designated street. At present there are 8.75 miles of designated streets in Charlottetown and 3.80 miles in Summerside representing payments in 1974 of $120,750 and $52,440 respectively.

Those roads and streets not designated as provincial highways are the responsibility of the municipality. This includes Other Towns, Summerside and Charlottetown. To assist the municipality in fulfilling its responsibilities the provincial government will grant 50 per cent of the cost of curbs, gutters, storm sewers and paving on non designated streets in Charlottetown, Summerside and Other Towns up to a maximum amount of $7,000 plus $2.00 per capita.

An issue of contention has been that of snow removal in the Towns. In the past the Department of Highways had assumed responsibility for snow removal in the Towns of Prince Edward Island. In October the provincial government confirmed an earlier decision that Other Towns will henceforth be responsible for snow removal in all non designated streets. If the municipality chose not to do the work itself it could contract with the Department of Highways at the rate of $1,000 per mile per season.

The controversy surrounding this decision has been considerable with most Other Towns claiming that the added cost of providing snow removal service will have the effect of nullifying the advantage to the Towns of the increased Per Capita Grant. While this may be so the fact remains that snow removal costs are a normal municipal cost in most provinces.

The Provincial Department of Highways continues to perform snow removal service on designated streets and on all streets in the Villages and Community Improvement Districts.

It is important to note that the new grant structure of 1974 provided for the first time assistance to Charlottetown for roads and streets within its boundaries. The amount for which Charlottetown becomes eligible for non designated streets is approximately equal to the total of three Other Grants that were eliminated ($20,000 in lieu of gasoline and income tax, $22,500 Amalgamation Grant and $3,750 Victoria Park Roadway Grant).

E SEWAGE TREATMENT GRANTS

Conditional Grants for the construction of trunk sewers and sewage treatment facilities although a relatively recent addition to the grant structure of Prince Edward Island have expanded rapidly in recent years. Assistance from the provincial government to the municipalities is based on the capital cost of the individual project. The basis for cost-sharing has altered considerably over the past few years.

Before 1971 in the case of Charlottetown and Summerside and before 1973 in the case of other municipalities the provincial government paid a flat 20 per cent of the cost of installing new sewage treatment facilities. The municipality was responsible for the remaining costs except for the forgivable portion of the loans from Central Mortgage and Housing Corporation.

In the period 1970-1974 two communities received grants equal to 20 per cent of the total cost of the project. In 1971 Wilmot received $1,672 and in 1973 Alberton received $5,023.

The basic provincial policy has been to cost-share with the municipality after the federal contribution have been applied. In 1971 in the case of the major urban areas where an integrated treatment system was capable of serving several municipalities the Federal Government by way of the Department of Regional and Economic Expansion agreed to provide assistance to the extent of one-sixth of the total cost. In conjunction with this federal contribution was a CMHC forgivable loan also equal to one-sixth of the total. Thus,the federal government granted assistance equal to one-third of the total cost of the project. The remaining costs would be split between the province and the municipalites.

In October 1971, Charlottetown, Parkdale and Sherwood and Summerside, Wilmot and St. Eleanors signed agreements with the Province of Prince Edward Island providing for a three-way sharing of the costs of installing trunk sewer collectors and waste treatment facilities.

The agreements established an equal division of costs amongst the federal, provincial and municipal governments with each assuming one-third of the total cost. One-half of the federal government's share and hence one-sixth of the total is a forgivable CMHC loan. The provincial government agreed to pay by way of a grant 50 per cent of the municipality's annual payment of principal and interest on a loan from CMHC and 50 per cent of the municipality's annual payment of principal and interest on a loan received from the Province of Prince Edward Island.

The first payment from the provincial government is not made until work on the project has been completed. Thus although the agreements with Charlottetown and Summerside were signed in 1971 grants were not paid out by the provincial government until 1973.

Borden and Wilmot received sewage treatment grants in 1973 and in 1974 similar agreements have been made with Montague, Souris, Cornwall and Miscouche.

It should be noted that due to the high capital costs of trunk sewers and sewage treatment plants many municipalities find themselves prohibited from this cost-sharing agreement despite the substantial assistance provided by the two senior levels of government.

F GRANTS TO COMMUNITY IMPROVEMENTS DISTRICTS

Deviating from the pattern of discussing grants available to the various levels of local government in Prince Edward Island we turn now to a grant that is extended only to Community Improvement Districts.

Community Improvement Districts were established as incorporated municipalities largely to facilitate the collection of the real property tax in order to provide limited local services. They have been almost totally dependent on their own very limited resources. In recognition of this fact and as an interim measure, the provincial government in 1974 instituted an annual grant to Community Improvement Districts equal to 25 per cent of their yearly administrative expenses and their operating expenses for fire protection, street lighting, garbage collection and disposal including land acquisition. As there was no precedent the arbitrary rate of 25 per cent was seen as the starting point only and may be considerably altered in the future.

G OTHER GRANTS

Grants are also given to municipalities on an irregular basis or for a very specific purpose.

One such grant is the Sidewalk Grant available to the Villages for the construction of new sidewalks. The provincial government will pay one-half of the cost of construction of approved sidewalks. The total grant is not to exceed $1.50 per capita annually. In order to allow a village to proceed with sizeable projects the grant may be paid up to five years in advance. This grant may be seen as somewhat of an anachronism as no payments have been made nor indeed have there been any requests for the grant, since 1971 at which time the Village of Tignish received $1,515.

For some time the City of Charlottetown has been the recipient of three Other Grants all of which were eliminated in the new grant structure of 1974. Since 1958 Charlottetown has received an annual Amalgamation Grant of $22,500. This grant was originally designed to help off-set the cost incurred by the amalgamation of the Village of Spring Park with the City of Charlottetown. Although the grant initially was to be paid only for ten years, it was continued until 1973.

Until recently Charlottetown received an annual grant of $20,000 from the provincial government in lieu of gasoline and income taxes previously collected by the city.

Also, as mentioned previously when discussing grants for roads and streets, Charlottetown had been receiving $3,750 per year toward maintenance of the Victoria Park Roadway which runs past the residence of the Lieutenant-Governor of Prince Edward Island.

These three Other Grants to Charlottetown ceased in 1974, the last payments having been made in 1973. The year 1974 was seen as an opportune time by

the provincial government to eliminate these grants as Charlottetown would receive approximately the same amount of money under the new paving assistance programme for non designated streets.

In very special circumstances the provincial government may grant funds to a municipality to meet a specific and immediate need. This will occur in most instances when a municipality is in severe financial distress or can prove special need. Their nature can best be illustrated by the following examples.

In 1973 the Village of Mount Stewart found itself incapable of meeting its financial responsibilities for a sewage project already underway. The special grant of $30,000 subsequently extended to Mount Stewart was essentially a matter of loan forgiveness. In this way the provincial government hoped to help Mount Stewart to re-finance the project.

Another example of a special Ad Hoc Grant but of quite a different nature was paid to Borden in 1973. This grant totalling $12,513 was to help the town finance the construction of a community arena. A further example is the Village of Tignish which received $500 in 1973 to assist it in paving the area in front of the local fire hall. This amount could not be granted under the pavement assistance programme as the work was not being done on a road or street. Moreover, Tignish could not afford to pay for the work out of its Fire Fighting Assistance Grant.

Specific purpose grants given on an ad hoc basis such as those mentioned are not frequently given and are a result of the provincial government's having given special consideration to the specific needs of individual communities.

H CONCLUSION

Grants from the provincial government of Prince Edward Island to local government are relatively few and are administered by one department, the Department of Community Services. The major grant is an Unconditional Per Capita Grant paid to all municipalities except Community Improvement Districts. Two major Conditional Grants, one for fire fighting and one for roads and streets, are also extended to local government. A third Conditional Grant, for sewage treatment facilities, has increased in significance in recent years. In addition there has been provision for Other Grants to meet individual needs.

The grant structure underwent very significant changes in 1974. Not only was the actual dollar value of the grants raised but the grant programme was rationalized through the elimination of Paving Assistance and Other Grants and the introduction of a grant for both designated and non designated streets.

INTER-PROVINCIAL COMPARISON OF GRANT PROGRAMS

CHAPTER III

INTER-PROVINCIAL COMPARISON OF GRANT PROGRAMS

A OVERVIEW

Every provincial government in Canada gives financial assistance in the form of grants to units of local government. The size, nature and basis upon which assistance is given vary, often significantly, from province to province.

A fundamental factor contributing to the variety of grants to local governments across the country is the difference in the delineation of provincial-municipal functions and responsibilities. In some provinces the municipalities bear a heavier burden in terms of service provision and expenditure responsibilities than in others. Tables 3-I and 3-II illustrate this point clearly.

Table 3-I shows the provincial/local sharing of estimated expenditures for the fiscal year ended nearest 31 December 1972*. The average local share for all Canada was 26.30 per cent.

At the lower end of the scale were Newfoundland (5.18 per cent), Prince Edward Island (7.94 per cent) and New Brunswick (11.17 per cent). In these three provinces, but most notably Newfoundland, local government has limited service responsibilities with the provincial governments responsible for the three most costly functions - health, education and welfare.

Local governments in the remaining seven provinces bear from 22.49 per cent (Nova Scotia) to 30.73 per cent (British Columbia) of total provincial/local expenditures.

Turning to Table 3-II it can be seen that when expenditures for health, education and welfare are deleted from total expenditures the pattern changes dramatically. The average local share of expenditures for Canada was 42.8 per cent while in Newfoundland and Prince Edward Island the municipal share was only 11.25 per cent and 12.96 per cent respectively. The municipal portion in New Brunswick is 25.86 per cent when health, education and welfare are excluded. Local governments in Nova Scotia pays a slightly higher percentage

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* The most recent year for which data was available.
It should be clear that the data quoted here is in aggregate terms and does not reflect different treatment between rural and urban areas. One of the major reasons for higher costs to municipalities in central and western Canada provinces is the higher costs borne by rural municipalities and counties.

** In a sense, Newfoundland is an exception in that education, although supported by the provincial government, is still in the hands of various religious denominations. The point is still valid, however, that local government is not responsible for education in Newfoundland.

TABLE 3-I

Percentage Distribution of All Provincial/Local Expenditure Estimates

Fiscal Year Ended Nearest 31 December 1972

	Provincial %	Municipal %
TOTAL	73.70	26.30
Prince Edward Island	92.06	7.94
Newfoundland	94.82	5.18
Nova Scotia	77.51	22.49
New Brunswick	88.83	11.17
Quebec	74.54	25.46
Ontario	71.34	28.66
Manitoba	72.54	27.46
Saskatchewan	75.04	24.96
Alberta	72.70	27.30
British Columbia	69.27	30.73

Source: Table 4-8, Provincial and Municipal Finances 1973, Canadian Tax Foundation.

TABLE 3-II

Percentage Distribution of All Provincial/Local Expenditure Estimates

(Ex. Health, Education and Welfare)

Fiscal Year Ended Nearest 31 December 1972

	Provincial %	Municipal %
TOTAL	57.20	42.80
Prince Edward Island	87.04	12.96
Newfoundland	88.75	11.25
Nova Scotia	72.20	27.80
New Brunswick	74.14	25.86
Quebec	53.83	46.17
Ontario	54.42	45.58
Manitoba	54.46	45.54
Saskatchewan	65.69	34.31
Alberta	55.49	44.51
British Columbia	56.50	43.50

Source: Table 4-8, Provincial and Municipal Finances 1973, Canadian Tax Foundation.

than in New Brunswick (27.80 per cent), but it is when the provinces from Quebec westward are examined that a significantly different picture emerges. The municipal share ranges from 34.31 per cent in Saskatchewan to 46.1 per cent in Quebec. In these six provinces municipal government is expected to provide a greater proportion of the service mix within the provinces.

As was stated at the outset, however, every provincial government does provide some support in the form of grants to local governments. In those provinces where municipalities have more fiscal and service responsibilities the grant structure is generally more complex in that funds are granted for a wider range of functions and are usually administered by several departments.

The following discussion draws together information on grants to municipalities in various provinces across the country. Special attention has been paid to New Brunswick and Newfoundland as they are closest to Prince Edward Island in terms of development of local government and in terms of provincial-municipal delineation of functions. A more detailed description of grants to local governments across the country can be found in Appendix I.

B UNCONDITIONAL PER CAPITA GRANT

Nearly every provincial government provides some kind of unconditional grant to local government units. The basis for assistance varies from province to province.

Only one other province, Nova Scotia, computes the amount granted in a manner similar to that used in Prince Edward Island. Different per capita amounts are granted according to the level of local government. The amounts, $3.73 for cities, $3.00 for towns and $1.37 for rural municipalities are substantially less than those granted in Prince Edward Island.

New Brunswick has implemented an unconditional grant that is a percentage rate of municipal budgeted expenditure less non tax revenue. When calculated in per capita terms, the amount granted varies dramatically from municipality to municipality. In 1973, for example, Saint John received $89.21 per capita, Fredericton $65.99, Bath $17.72 and Meductic $23.37.

Ontario pays according to the size of the population in the municipality. The grant varies from $6.00 to $9.00 per capita. Newfoundland bases its per capita grant on local tax collection. The grant is scaled in such a way that as the size of collections increases, the grant per $1.00 of collection decreases.

Manitoba and Saskatchewan pay a per capita grant of $10.00 to all municipalities.

C GRANTS FOR PROTECTION TO PERSONS AND PROPERTY

Conditional grants to assist municipalities in the provision of services related to protection of persons and property (i.e. fire and police protection) are quite common across the country.

Provincial and municipal expenditures on these services, however, vary considerably as well. Table 3-III provides 1972 data showing percentage sharing of expenditures on protection to persons and property. In Prince Edward Island the provincial government assumes 70 per cent of the cost with municipalities paying only 30 per cent compared to a national average of 45 per cent provincial and 55 per cent municipal. Grants are paid to municipalities in Prince Edward Island to assist them in the provision of fire fighting services. There are no grants, however, for police services.

In Newfoundland the provincial government pays an even higher percentage of the total (79.31 per cent) than in Prince Edward Island with the municipalities paying only 20.69 per cent. Limited grants are given for fire fighting in Newfoundland and none are given for policing as it is a provincial responsibility.

In every other province the municipal share of expenditures for protection to persons and property is over one-half of the total. To assist the municipalities, grants are given by most provincial governments. In most cases the grants are extended only to municipalities which meet specific requirements.

D ROAD AND STREET GRANTS

Again referring to Table 3-III it can be seen that provincial and municipal expenditures for roads and streets differ substantially from province to province. Municipalities in Prince Edward Island paid only 7.38 per cent of total expenditures on these services in 1972 compared to a national average of 31.60 per cent and compared to 9.18 per cent in Newfoundland, the next lowest province. Municipalities in New Brunswick paid 13.4 per cent and those in Nova Scotia paid 18.34 per cent. With the exception of British Columbia at 19.49 per cent, municipalities in every other province pay more than 30 per cent of the total costs. In Alberta the proportions are almost half and half.

TABLE 3-III

Percentage Distribution of Provincial Local Expenditure Estimates

Selected Responsibilities

Fiscal Year Ended Nearest 31 December 1972

	Protection to Persons & Property		Transportation and Communication	
	Provincial %	Municipal %	Provincial %	Municipal %
TOTAL	45.82	54.18	68.40	31.60
Prince Edward Island	70.00	30.00	92.62	7.38
Newfoundland	79.31	20.69	90.82	9.18
Nova Scotia	46.75	53.25	81.66	18.34
New Brunswick	45.60	54.40	86.60	13.40
Quebec	47.91	52.09	69.74	30.26
Ontario	44.95	55.05	64.07	35.93
Manitoba	45.52	54.48	59.75	40.25
Saskatchewan	49.18	50.82	66.48	33.52
Alberta	45.70	54.30	51.91	48.09
British Columbia	38.32	61.68	80.51	19.49

Source: Table 4-8, Provincial and Municipal Finances 1973, Canadian Tax Foundation.

In the Atlantic Provinces the provincial governments have historically assumed the major responsibility for roads and streets, particularly in rural areas. Substantial assistance in the form of grants has been given to municipalities to assist them in the construction and maintenance of streets within their boundaries.

In the Western Provinces much assistance in the form of grants is in the form of contributions to capital costs. The amount granted may vary with the size or level of municipality.

E SEWAGE GRANTS

Grants to municipalities to assist them in the construction of water and sewage treatment facilities are relatively recent phenomena. These conditional grants have become more common in recent years with provincial governments providing increasing funds for these purposes. It should be noted, however, that assistance also has been available through federal government agencies such as CMHC, DREE and FRED.

Grants are generally related to the capital cost of the project although each province has its own way of calculating the amount. In some provinces assistance is available only to certain levels of municipalities.

F OTHER GRANTS

Most provincial governments extend myriad grants to local government beyond those already discussed in this chapter. The number of grants is significantly higher in those provinces where local government assumes more responsibilities than in provinces, such as Prince Edward Island and Newfoundland, where municipal responsibilities are limited.

The grants are generally conditional in nature and range from assistance for health and welfare programmes to grants for capital projects to assistance for mosquito control.

G CONCLUSION

Every provincial government gives financial assistance in the form of grants to units of local government. The size, nature and basis of assistance varies from province to province with each province having its own mix of conditional, unconditional and special purpose grants.

An important factor contributing to the variety in grants and to the wide discrepancy in the number of grants to local governments across the country is the difference in the delineation of provincial-municipal functions and responsibilities. In those provinces where municipalities have more financial and service responsibilities the grant structure is generally more complex in that funds are granted for a wider range of functions and are usually administered by several departments.

This inter-provincial comparison illustrates clearly that in Prince Edward Island the provincial government provides a greater proportion of support, either directly or indirectly through grants, to local government than do most other Canadian provinces.

Local government receives substantial support from the provincial government to assist it in fulfilling those responsibilities that are strictly local.

CRITIQUE OF THE EXISTING GRANT STRUCTURE

CHAPTER IV

CRITIQUE OF THE EXISTING GRANT STRUCTURE

A OVERVIEW

The inter-provincial analysis shows clearly that the provincial government in Prince Edward Island provides a greater proportion of support, either directly or through grants, to government services than is common in most of the other Canadian provinces. This is the key point of Chapter III. There may be instances where another provincial government provides more support for a particular program such as police protection but the fact remains that Prince Edward Island is more generous in its support of local government functions than is the case in any other province with the possible exception of Newfoundland.

In meetings with the Federation of Prince Edward Island municipalities and with individual municipalities this fact was discussed. The Prince Edward Island municipalities maintained that while Prince Edward's program might seem equitable when compared to the rest of Canada, equity was lacking within the province itself. This contention was stated in a number of ways, the basic point being that rural dwellers receive services for nothing while incorporated municipalities have to pay for these services. It was further stated that the higher the level of municipality (Towns vs Villages) the greater were the services (e.g. roads and recreational facilities) that had to be provided.

In the analysis of the grant structure this point was kept in mind. The Schedules in Appendix II show data for every municipality on the Island. The data from the Schedules has been summarized in the Tables* in order to show totals and averages for Other Towns and Villages. Summerside

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* Each Table shows the sum of the Per Capita Grant and the Fire Fighting Grant in sub column (a) as well as the sum of column (a) plus Street Grants (but exclusive of Sewage and Other Grants)under column (b). These will be referred to as method (a) and method (b) respectively. Sewage and Other Grants (with the exception of Charlottetown) are excluded because they are basically given only once or are large grants for capital projects. Sewage Grants are specifically excluded from the Tables because it is a relatively new program; it is heavily capital intensive (which creates distortions in comparisons); and because one sewage system can cover more than one municipality (e.g. Charlottetown, Parkdale and Sherwood). It should be clear, however, that figures for Sewage and Other Grants are available in the Schedules.

and Charlottetown are shown separately in recognition of their status as municipalities incorporated under their own Acts.

In addition to showing actual grant dollars (see Table 2-I and Table 2-II in Chapter II and Schedule I) an analysis was made of the data for the years 1970 to 1974 in terms of:

Per Capita;
Percentage of Expenditures;
Per $100 of Assessment**

The grant data for 1974 is based on estimates supplied by the Department of Community Services and is probably slightly overstated, a fact that complicates the analysis somewhat. However, in objectively analyzing the existing grant structure the main complicating factor is that in 1974, after a period of stability, grants were both increased and changed. This is illustrated in Table 4-I.

In 1974 total grants (excluding Sewage Treatment and Other Grants) were nearly $1.2 million compared to just over $700,000 in the previous year, an increase of two-thirds in a single year. The major dollar change was in the Per Capita Grant which increased from $533,638 to $825,000, a rise of more than 50 per cent. However, in percentage terms, the increases in Conditional Grants were even more dramatic. The Fire Fighting Grant nearly doubled. Grants for designated and non-designated streets were introduced replacing former Paving Assistance Grants and Other Grants in Charlottetown. The amount of the new grants at $273,190 was more than twice that of those they replaced at $133,269. The analysis that follows must, of necessity, note these dramatic changes while keeping in mind the difficulty in determining their long term impact at this stage.

B PER CAPITA ANALYSIS

A per capita analysis is usually the first step in any analysis of grants after the actual dollars are detailed. It is a common method of making a comparison based on a norm (i.e. people). It should be clear from the outset that the per capita analysis is a method of looking at all grants and is not just an analysis of the Per Capita Grant.

Table 4-II shows that grants to municipalities expressed in per capita terms were fairly constant from 1970 to 1973, ranging between $10.24 and $10.50 per capita if only the Per Capita and Fire Fighting Grant are included

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** The assessment data was available only for 1973 and 1974.

TABLE 4-I

Provincial Government Grants (ex. Sewage Treatment and Other)

To Municipalities A Comparison of 1973 (Actual) and 1974 (Estimates)

	Per Capita		Fire Fighting		Designated Streets/ Paving Assistance		New Designated Streets/Other		TOTAL	
	1973 $	1974 $	1973 $	1974 $	1973 $	1974 $	1973 $	1974 $	1973 $	1974 $
Charlottetown	229,596	344,394	-	2,500	-	120,750	46,250	46,000	275,846	513,644
Summerside	113,268	169,902	500	2,500	25,878	52,440	-	27,000	139,646	251,842
Other Towns	78,756	160,704	9,617	15,000	18,128	-	12,513	27,000	119,014	202,704
Villages	112,018	150,000	23,310	55,000	-	-	30,500	-	171,828	205,000
TOTAL	533,638	825,000	39,427	75,000	44,006	173,190	89,263	100,000	706,334	1,173,190

Source: Schedules prepared from Annual Report of the Department of Community Services and Departmental Working Papers.

TABLE 4-II

Provincial Government Grants (ex. Sewage Treatment and Other)*

Expressed in Per Capita Terms by Class of Municipality, 1970-1974

Municipality	1970		1971		1972		1973		1974	
	(a) $	(b) $	(a) $	(b) $	(a) $	(b) $	(a) $	(b) $	(a) $	(b) $
Charlottetown	12.00	14.51	12.00	14.48	12.00	14.42	12.00	14.42	18.13	26.85
Summerside	12.05	14.74	12.05	14.61	11.33	11.47	12.05	14.29	18.26	26.68
Other Towns	12.88	15.68	13.13	16.24	13.11	18.02	13.20	15.90	19.28	22.23
Villages	6.96	6.96	7.03	7.03	6.77	6.77	7.10	7.11	11.12	11.12
TOTAL	10.48	11.37	10.50	11.36	10.24	10.88	10.39	11.19	16.04	20.91

* With the exception of Charlottetown.

(a) Per Capita and Fire Fighting.

(b) Per Capita, Fire Fighting and Streets.

(method a) and between $10.88 and $11.37 if Street Grants are included as well (method b). This figure changed dramatically in 1974 with the method (a) figure jumping to $16.04 and the method (b) figure to $20.91.

The average is misleading, however, in that while Charlottetown, Summerside and Other Towns were similar Villages were significantly lower. The basic reason for this was not only that the maximum Unconditional Per Capita Grant to Villages was only half that of Charlottetown, Summerside and Other Towns but also because Villages did not receive grants for streets since the entire cost was borne by the provincial government.

Prior to 1974 Other Towns received slightly more per capita than Charlottetown and Summerside for two reasons. The first reason was that the Fire Fighting Grant did not apply in Charlottetown and was very small on a per capita basis in Summerside. The second reason was that the pavement assistance program was a large factor in Other Towns.

However, this was not true every year nor was it true for each individual town. For example, among Other Towns the per capita amount received for fire fighting varied year to year from nothing (Souris in 1970) to $2.61 (Georgetown in 1973). Pavement assistance was even less consistent. The number of Other Towns receiving the grant in any year was four or five with the other two or three receiving nothing. At the opposite extreme, Kensington received $11.64 per capita in paving assistance grants in 1972.

In Villages the ranges in both the Per Capita Grant and the Fire Fighting Grant were even greater as can be seen from an examination of the Schedules.

With the new grant program instituted in 1974 there will continue to be a clear distinction in the per capita amount received (approximately a 2:1 ratio) between Villages on the one hand and Charlottetown, Summerside and Other Towns on the other hand.

However, the Fire Fighting Grant is much less when expressed in per capita terms in Charlottetown and Summerside than in Other Towns and Villages so that the range in method (a) is from $11.12 in Villages to $19.28 in Other Towns with Charlottetown and Summerside receiving $18.13

and $18.26 respectively. When Street Grants are included Charlottetown and Summerside have nearly identical grants ($26.85 and $26.68 respectively), about 20 per cent higher than the average ($22.23) for Other Towns and about one and one-half times larger than the average for Villages.

In summary there has been an historical relationship of 2:1 in the Per Capita Grant between Charlottetown, Summerside and Other Towns on the one hand and Villages on the other. If the Fire Fighting Grant was added to the Per Capita Grant the ratio was reduced slightly as this grant was and still is a minor factor in Charlottetown and Summerside while it is a significant factor in the Villages. The basic ratio of 2:1 was restored prior to 1974 if Street Grants (and Other Grants in the case of Charlottetown) were added, Other Towns getting the largest grant in per capita terms.

With the new grant program a new ratio emerges when both designated and non designated Street Grants are included. The new ratios are 2:5 for Charlottetown and Summerside to 2:0 for Other Towns to 1:0 for Villages. Using a per capita analysis only, it appears as if the distinction between levels of municipality in service demands is met by the existing grant program. The following analysis of expenditure and assessment data, however, shows this is not so.

C PERCENTAGE OF EXPENDITURES

Another way of examining provincial government grants to municipalities is to relate them to expenditures. This was difficult to do on a current basis because provincial grants for 1974 are estimates and estimates of municipal expenditures for 1974 were not available. Therefore, there is no Schedule III for 1974. However, Table 4-II was prepared by calculating a standard increase of 15 per cent in expenditures over 1973. The 1974 grant estimates were related to this calculated figure.

The picture derived from this analysis differs markedly from the per capita analysis. Prior to 1974 grants as a percentage of total municipal expenditures ranged from 8.01 per cent to 9.29 per cent using method (a) and from 8.68 per cent to 9.85 per cent using method (b). In 1974 the figure jumped to 12.18 per cent and 15.88 per cent respectively.

Turning to a more detailed analysis using method (b) the figures show that in relation to expenditures Other Towns received the largest grants. For example, in 1973 they received 17.23 per cent while Villages received only 13.71 per cent. The figures for Summerside and Charlottetown were

TABLE 4-III

Provincial Government Grants (ex. Sewage Treatment and Other)* To Municipalities as a Percentage of Municipal Expenditures By Class of Municipality, 1970-1974

Municipality	1970		1971		1972		1973		1974	
	(a) $	(b) $	(a) $	(b) $	(a) $	(b) $	(a) $	(b) $	(a) $	(b) $
Charlottetown	6.14	7.42	5.88	7.09	6.15	7.38	6.85	8.23	9.00	13.33
Summerside	10.39	12.72	6.67	8.08	7.17	7.26	9.00	11.05	11.87	17.33
Other Towns	21.36	25.95	17.45	21.95	19.89	27.36	14.29	17.23	19.62	22.63
Villages	17.50	17.50	15.80	15.80	14.10	14.10	13.71	13.71	17.29	17.29
TOTAL	9.29	9.58	8.01	8.68	8.31	8.83	9.16	9.85	12.18	15.88

* With the exception of Charlottetown.

(a) Per Capita and Fire Fighting.

(b) Per Capita, Fire Fighting and Streets.

lower at 11.05 per cent and 8.23 per cent respectively. Under the new grant program Other Towns continue to receive the largest grants in relation to their expenditures, 22.63 per cent under method (b), followed by Villages (17.29 per cent) and Summerside (17.33 per cent). Charlottetown receives the smallest proportion of its expenditure in the form of grants (13.33 per cent).

Grants as a percentage of expenditures will vary not only with a change in the grants but also with changes in expenditures. As a consequence grants declined sharply as a percentage of expenditures in Other Towns between 1972 and 1973, decreased slightly in Villages but increased in both Charlottetown and Summerside. The latter was the result of a decline in expenditures in absolute terms in these two communities.

Again it must be made clear that there are significant individual variations. For example the Per Capita Grant and the Fire Fighting Grant together represented nearly 20 per cent of all expenditures in Alberton but less than 16 per cent in Borden in 1973. In Villages the fluctuations were even more extreme ranging from less than 4 per cent in Morell to nearly 50 per cent in Cardigan.

Since a detailed analysis was not done of expenditures per se it is difficult to comment on these wide fluctuations. However, the average figures do permit useful generalizations.

Other Towns have traditionally received the largest percentage of their expenditures in the form of provincial government grants. While this is perhaps understandable compared to Villages which do not have to provide as wide a range of services*, it is less understandable that they should receive a significantly larger share of their expenditure in grant form than should Charlottetown and Summerside. A ratio of grants as a percentage of expenditures of 1:8 (Other Towns) to 1:3 (Villages and Summerside) to 1:0 (Charlottetown) suggests an imbalance in the grant program.

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* This fact is recognized in the current per capita grant program.

D PER $100 OF ASSESSMENT

A useful, if not widespread method of analyzing provincial grants to municipalities, is calculation of the grants in terms of the tax base (i.e. property assessment). This has been done in Table 4-IV in terms of both property assessment and total assessment (property plus business). This analysis is probably the most revealing and useful.

The analysis shows clearly that both the pre-1974 and the 1974 grant structure provide the largest grants in terms of assessment to Other Towns followed by Summerside, followed by Charlottetown, followed by Villages. If just the Per Capita and Fire Fighting Grants are examined and not the Street Grants the figures for Villages and Charlottetown are almost identical.

This shows that in spite of the fact that Charlottetown provides the fullest range of municipal services in Prince Edward Island the grants it receives in terms of assessment are close to the average of the grants received by Villages. This is true in spite of the fact that Villages provide a much narrower range of services. It further shows that on this basis Charlottetown's grant is 60 per cent of Summerside's and only 45 per cent of the grant to Other Towns. Another way of interpreting figures is to state that the ratio is 2:2 (Other Towns) to 1:7 (Summerside) to 1:01 (Charlottetown). This suggests a strong bias in the grant program in favour of Other Towns and against Charlottetown.

E CONCLUSION

This chapter began by noting that relative to most other provinces the government of Prince Edward Island provides a much greater measure of assistance, either directly or indirectly, to municipal governments. This is particularly true in aggregate terms. This chapter has attempted to disaggregate some of the figures within Prince Edward Island and to compare the assistance by level of government.

Most apparent is the fact that the generous programs of assistance in existence at the time of the inter-provincial comparisons (1972) were further enhanced in 1974. Turning to intra-provincial comparisons, it is interesting to note that while the level of assistance to Charlottetown, Summerside and Other Towns appears to be almost identical and double the level of assistance to Villages (in recognition of the lower service requirements of Villages), this is not the case in fact. Moving beyond per capita data to expenditure and assessment data, it becomes clear that, relatively speaking, Other Towns are better off than Summerside and Summerside is better off than Charlottetown.

TABLE 4-IV

Provincial Government Grants (ex. Sewage Treatment and Other)*

To Municipalities Expressed in Terms of $100 Property Assessment (ex. Business)

And Per $100 Total Assessment 1973-1974

Municipality	Property Assessment				Total Assessment			
	1973		1974		1973		1974	
	(a) $	(b) $	(a) $	(b) $	(a) $	(b) $	(a) $	(b) $
Charlottetown	0.18	0.22	0.24	0.36	0.15	0.18	0.19	0.29
Summerside	0.31	0.38	0.40	0.58	0.25	0.31	0.33	0.48
Other Towns	0.37	0.45	0.66	0.76	0.31	0.37	0.55	0.64
Villages	0.11	0.18	0.22	0.22	0.16	0.16	0.19	0.20
TOTAL	0.21	0.23	0.29	0.38	0.18	0.19	0.24	0.32

* With the exception of Charlottetown.

(a) Per Capita and Fire Fighting.

(b) Per Capita, Fire Fighting and Streets.

Villages are well treated relative to Summerside and Charlottetown if expenditure data is analyzed and are comparable to Charlottetown if assessment data is used. This is as it should be given their limited expenditure responsibilities.

What is not clear is why Summerside and Charlottetown should be treated less favourably than Other Towns. A new grant program must address this fundamental issue.

A NEW PROVINCIAL PROGRAM OF GRANTS TO MUNICIPALITIES

CHAPTER V

A NEW PROVINCIAL PROGRAM OF GRANTS TO MUNICIPALITIES

A INTRODUCTION: CHARACTERISTICS OF A SOUND GRANT SYSTEM

A basic premise of this Report is that there is an important role for municipal government to play. That role can best be played if on the one hand the responsibilities of municipal government are limited to local services and if on the other hand the financial burden of providing those services is not too great for the citizen to bear.

Because of the unique history of Prince Edward Island, municipal government is more exclusively involved in municipal services - protection of persons and property, community and recreational services, roads, sewer and water - than is the case in most provinces of Canada. Unlike many other parts of Canada the provincial government of Prince Edward Island is taking steps to ensure more municipal government through the creation of Community Improvement Districts and by transferring from the provincial to the municipal level of government.

This basic position is supported by this Report. The Report also notes, with approval, that the municipalities in Prince Edward Island are not required to provide major social services, health, education and welfare, as is the case in many other provinces. *

Given these basic conditions, not always present elsewhere in Canada, permits focussing on the provincial government's program - of grants to municipalities. There are certain characteristics of a sound and fair grant program. Any such program should be:

i) simple;
ii) unconditional;
iii) equitable;
iv) adequate.

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* It is recognized, however, that the municipal taxpayer must help pay for education through a real property tax which in effect reduces the tax room available to municipal governments.

B A SIMPLE GRANT SYSTEM

The current grant system is relatively simple. It has the great virtue of being administered by one department, the Department of Community Services. This is not so in most other provinces and results in a host of problems for the provincial government, for the municipal governments and for the citizen taxpayer.

1. IT IS RECOMMENDED THAT THE CURRENT SYSTEM OF PROVIDING GRANTS TO MUNICIPAL GOVERNMENTS THROUGH A SINGLE DEPARTMENT BE CONTINUED.

C AN UNCONDITIONAL GRANT SYSTEM

There are two basic kinds of grants from one level of government to another. One kind is unconditional examples of which are Federal Equalization Payments or the Per Capita Grant given by the Province of Prince Edward Island to municipalities. The other kind is conditional such as the Canada Assistance Program Grants or the Provincial Fire Fighting Assistance Grant.

The unconditional grant has the advantage of recognizing the junior level of government's right to assistance. This acknowledgement has benefitted Prince Edward Island as a province through the receipt of equalization payments.

This is not to imply that there are not legitimate reasons for a senior level of government to influence a junior level of government by means of an inducement or a conditional grant to undertake certain activities. Rather, it is simply to say that careful consideration should be given before such a decision is made. A distinction which the provincial government might want to bear in mind is whether the function is provincial or municipal. If it is a municipal function the grant should be unconditional; if it is a provincial function the grant should be conditional and large enough to cover the entire cost.

Prince Edward Island has gone a long way towards providing unconditional grants to municipalities through the Per Capita Grant, which is the most important of all grants. With relative ease it can go even further by the simple expedient of consolidating the Per Capita Grant, the Fire Fighting Assistance Grants and the new Street Grants (for both Designated and Non Designated Streets) into a single Unconditional Per Capita Grant. Because of its different nature it is not suggested that the Sewage Treatment Grant be included in this new consolidated grant.

2. IT IS RECOMMENDED THAT THE PER CAPITA GRANT, THE FIRE FIGHTING ASSISTANCE GRANT AND THE GRANTS FOR BOTH DESIGNATED AND NON DESIGNATED STREETS BE REPLACED BY A SINGLE ALL INCLUSIVE UNCONDITIONAL GRANT BASED ON POPULATION.

Combining the Per Capita Grant and the Fire Fighting Assistance Grant will be a relatively simple procedure. It may be more difficult to consolidate the Street Grants as well, although this should not be too difficult because of their recent origin. However, should this create a problem it is recommended that at very least the Per Capita Grant and the Fire Fighting Assistance Grant be combined.

D AN EQUITABLE GRANT SYSTEM

For an inter-governmental grant program to be equitable it must be fair to the recipients. Two tests of equity must be considered in any provincial grant program for municipalities. The first test is that units with lower taxable capacity should receive some form of supplementary assistance in order to permit them to provide a basic level of service. A second test is that the amount of the grant should relate to expenditure responsibilities.

The second test is already recognized in Prince Edward Island in the current Per Capita Grant program. Villages only receive half the grant that Charlottetown, Summerside and Other Towns receive. The issue, however, is whether the difference is recognized sufficiently. The data in the preceding chapter as well as certain submissions indicates that it is not. Rather it indicates that Charlottetown, particularly, and Summerside, to a lesser degree, are being penalized while Other Towns are being favoured.

In order to overcome this situation it is necessary to alter the ratio. In the final instance this must be a matter of judgement. The basic point being made here is that the per capita grant should be larger for Charlottetown than it is for Summerside and larger for Summerside than it is for Other Towns. Not only is this recommendation suggested by the data but also by the precedents in Nova Scotia and New Brunswick.

3. IT IS RECOMMENDED THAT THE RATIO FOR THE NEW SINGLE ALL INCLUSIVE UNCONDITIONAL GRANT BE:

Charlottetown	1.7
Summerside	1.3
Other Towns	1.0
Villages	2/3

In addition to this grant there should be a Supplementary Equalization Grant, the purpose of which is to meet the first test (i.e. to provide low tax base municipalities with a degree of equalization with high tax base municipalities).

This is a worthy goal but it is difficult to obtain. Therefore a great deal of consideration has been given to this particular task. A series of calculations* were made using the New Brunswick program as a model but with certain significant modifications:

1) the new Supplementary Equalization Grant would be much simpler,
2) there would be no density factor,
3) there would be no population factor since this has already been taken into account in the ratios,
4) the Supplementary Equalization Grant would simply be applied as a ratio to the Single All Inclusive Grant rather than to expenditures**

The results of the calculations lead to the conclusions that the 1974 grant program provided a greater degree of equity between a low tax base town like Borden and a high tax base town like Parkdale than did the modified New Bunswick model. Conversely, the modified New Brunswick program provided a higher degree of equalization between a low tax base town such as Souris and a high tax base town like Parkdale. A basic problem that emerged with the modified New Brunswick system was that a Supplementary Grant was paid to all units. Therefore it was concluded that both the existing system and the modified New Brunswick system were less than ideal.

The next step in developing an equalization program was to stipulate that the high tax base communities would not receive a grant.

The grant program would be calculated as shown in Table 5-1. The average per capita assessment for the nine municipalities involved is $7,449. From this it was decided to use $7,500 as a standard. Column 3 is the difference between the actual per capita assessment (Column 2) and $7,500. Column 4 shows the product of the difference (Column 3) multiplied by the population (shown in Column 1). The products are then added and the sum of Column 4 is divided into the individual products in Column 4 to determine a percentage (Column 5). This product is applied against an arbitrarily selected dollar amount (in this case $96,502 which is 10 per cent of the 1974 total grants to Charlottetown, Summerside and Other Towns) in order to determine the amount of the Supplementary Equalization Grant (Column 6). It should be clear that this figure is highly arbitrary and could be increased or decreased depending on the desire for equalization.

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* Because of the complexities of the calculations and the relative simplicity of Villages no need was seen to provide such a grant for Villages.

** The reasoning behind this fourth point was that unpublished research done for the Province of Nova Scotia Provincial-Municipal Fact-Finding Committee indicated that expenditures were a poor measure for equalization calculation.

TABLE 5-I

Calculation of Supplementary Equalization Grant

Municipality	(1) Population	(2) Per Capita Assessment $	(3) $7,500 - (2) $	(4) (1) x (3) (000) $	(5) (4) ÷ $37,473 %	(6) $96,502 x (5) $
Charlottetown	19,133	9,314	-	-	-	-
Parkdale	2,340	7,999	-	-	-	-
Montague	1,743	5,756	1,744	3,040	8.1	7,817
Summerside	9,439	5,536	1,964	18,538	49.5	47,768
Georgetown	767	5,323	2,177	1,670	4.4	4,246
Kensington	1,086	5,166	2,334	2,535	6.8	6,562
Alberton	1,064	4,391	3,109	3,308	8.8	8,492
Souris	1,468	3,649	3,851	5,653	15.1	14,572
Borden	650	3,297	4,203	2,732	7.3	7,045
TOTAL				37,473	100.0	96,502

4. IT IS RECOMMENDED THAT A SUPPLEMENTARY EQUALIZATION GRANT BE PAID TO ALL TOWNS WITH A 1974 PER CAPITA EQUALIZED ASSESSMENT BELOW $7,500 BASED ON THE FORMULA DESCRIBED.

E AN ADEQUATE GRANT SYSTEM

This criterion relates to whether or not the total funds provided by the provincial government to the municipalities are sufficient to permit the municipalities to discharge their responsibilities.

While it is difficult to make generalized statements about the adequacy of the grant system when no in-depth analysis was done of either expenditure responsibilities or tax rates it seems clear that relative to most other provincial jurisdictions the Prince Edward Island program is more than adequate. It is generous. This conclusion, however, suffers from the weakness that a generous Prince Edward Island policy may be less in absolute dollars than a less than generous Ontario or Alberta policy. Nevertheless the provincial government of Prince Edward Island can only do what its resources permit.

5. IT IS RECOMMENDED THAT THE SUGGESTED CHANGES IN THE GRANT PROGRAM BE EFFECTED BY RE-ALLOCATION OF GRANTS AND NOT BY AN INCREASE IN THE TOTAL FUNDS AVAILABLE OTHER THAN FOR EQUALIZATION PURPOSES.

In order to determine the impact of Recommendations 2, 3, 4 and 5 it is necessary to turn to tables 5-II, 5-III and 5-IV.

In Table 5-II the first column shows the effect of implementing Recommendation 2 (i.e. replacing the Per Capita Grant, the Fire Fighting Assistance Grant and the Grant for Designated and Non-Designated Streets with a single All Inclusive Per Capita Grant) and applying the ratios stated in Recommendation 3 based on the principle enunciated in Recommendation 5. The per capita dollar amounts are $30.50 for Charlottetown, $23.50 for Summerside and $18.00 for Other Towns. The second column shows the Supplementary Equalization Grant mentioned in Recommendation 4. The third column is simply the sum of columns 2 and 3.

Table 5-III shows the 1974 grant program and how it currently applies.

Table 5-IV is a comparison of the totals in Table 5-II and Table 5-III. From Table 5-IV it can be seen that the main benefactor of the program in absolute dollars is Charlottetown but in percentage terms the main benefactors are the lower tax base towns of Borden and Souris. Two towns lose under this program, Parkdale and Georgetown.

TABLE 5-II

Recommended Provincial Government Grant

Program for Charlottetown, Summerside and Other Towns

Municipality	Per Capita Grant $	Supplementary Equalization Grant $	TOTAL Grant $
Charlottetown	583,557	-	583,557
Summerside	221,816	47,768	269,584
Alberton	19,152	8,492	27,644
Borden	11,700	7,045	18,745
Georgetown	13,806	4,246	18,052
Kensington	19,548	6,562	26,110
Montague	31,374	7,817	39,191
Parkdale	42,120	-	42,120
Souris	26,424	14,572	40,996
Sub Total Other Towns	164,124	48,734	212,858
TOTAL	969,497	96,502	1,065,999

TABLE 5-III

Estimated Provincial Government Grants

to Charlottetown, Summerside and Other Towns, 1974

Municipality	Per Capita $	Fire Fighting $	Streets $	TOTAL $
Charlottetown	344,394	2,500	166,750	513,644
Summerside	169,902	2,500	79,400	251,802
Alberton	19,152	2,500	4,235	25,887
Borden	11,700	2,500	1,694	15,894
Georgetown	13,805	2,500	2,849	19,154
Kensington	19,548	2,500	3,311	25,359
Montague	31,374	2,500	4,158	38,032
Parkdale	42,120	2,500	4,851	49,471
Souris	26,424	2,500	5,852	34,776
Sub Total Other Towns	164,123*	17,000**	26,950	208,573
TOTAL	678,419	22,500	273,100	974,019

* The discrepancy between this figure and the figure in Table 1 and Schedule 1 is accounted for by the fact that those sources were based on aggregate estimates whereas these are based on individual estimates.

** The $2,500 discrepancy with Table 1 and Schedule 1 is caused by the inclusion of Parkdale figures with Villages in the aggregate data.

TABLE 5-IV

Comparison of the 1974 Grant Program and the Recommended Grant Program

Municipality	1974 Grant Program $	New Grant Program $	Difference $
Charlottetown	513,644	583,557	+69,913
Summerside	251,802	269,584	+17,782
Alberton	25,887	27,644	+ 1,757
Borden	15,894	18,745	+ 2,851
Georgetown	19,154	18,052	- 1,102
Kensington	25,359	26,110	+ 751
Montague	38,032	39,191	+ 1,159
Parkdale	49,471	42,120	- 7,351
Souris	34,776	40,996	+ 6,220
Sub Total Other Towns	208,573	212,858	+ 4,285
TOTAL	974,019	1,065,999	+91,980

It is recognized that it is not common to recommend programs whereby either individuals, societies or governments (provincial or municipal) "lose" money. Therefore it must be clear that this recommendation was only made after careful consideration. There are, of course, precedents for such a reduction at both the federal and provincial level.

However, should the provincial government decide that no municipality should "lose" money it can still implement the recommended program based on recommendations 2, 3 and 4 but ignoring recommendation 5. To do so would require a per capita grant to the Other Towns of $21.00, (Parkdale would still "lose" $331.) $27.50 to Summerside and $35.50 to Charlottetown.

The cost of the program would increase dramatically from the $91,980 increase envisaged under the recommended program to $252,753. The cost is not the only problem with this change. The main problem is that the low assessment towns such as Borden and Souris do not benefit equally from this program as they would under the recommended program.

It is recognized that it is difficult to reduce grants. At the same time it is recognized that this Report was to recommend a fair and effective system. Therefore those municipalities that have benefitted unduly in the past must "lose" and those that have been penalized must "gain". If it is decided that the adverse effects of the recommendations would be too much for towns like Parkdale to bear in one year it is suggested that there be a transitional reduction over a period of five years.

F GRANTS TO VILLAGES

Villages receive the Per Capita and Fire Fighting Grants but not the Street Grants because the provincial government bears the entire cost of roads and streets in Villages. The Per Capita Grant is one half that received by Charlottetown, Summerside and Other Towns while the Fire Fighting Grant is paid on the same basis.

The same basic reasoning that applies to grants for Towns applies to Villages.

6. IT IS RECOMMENDED THAT VILLAGES RECEIVE A SINGLE UNCONDITIONAL PER CAPITA GRANT IN PLACE OF THE PRESENT PER CAPITA AND FIRE FIGHTING GRANTS.

The result of implementing Recommendations 3 and 6 would be a Per Capita Grant of $12.00 which would mean an increase in provincial grants to Villages from an estimated $205,000 under the 1974 program to an estimated $238,548.

The current program requires Villages to raise money in order to receive the grant because it is revenue matching. This is in contrast to the federal government's Equalization Grants to Prince Edward Island and in contrast to the practices of other provincial government municipal grant programs. There is a danger in the current practice that it will encourage taxation in order to obtain grants.

7. IT IS RECOMMENDED THAT THE UNCONDITIONAL GRANT TO VILLAGES BE TRULY UNCONDITIONAL.

G GRANTS TO COMMUNITY IMPROVEMENT DISTRICTS

The Community Improvement Districts as of 1974 receive a new grant related to expenditures as well as the Fire Fighting Grant. This is a new program which has not been truly tested at the time of this Report.

8. IT IS RECOMMENDED THAT THERE BE NO CHANGE IN GRANTS TO COMMUNITY IMPROVEMENT DISTRICTS. IT IS FURTHER RECOMMENDED THAT GRANTS TO COMMUNITY IMPROVEMENT DISTRICTS BE REVIEWED AFTER TWO YEARS (1976) WITH A VIEW TO BRINGING THEM IN LINE WITH THE PRINCIPLES OUTLINED IN THIS REPORT.

H METHOD OF REVIEW

In these inflationary times it is common to build in automatic increases in grants to governments and to individuals. For two basic reasons this practice is rejected in this instance.

The first reason is that the analysis indicates that the grant program in Prince Edward Island is a generous one. Future increases may be required but they should not be made automatically. Rather they should be reviewed in light of developing requirements.

The second reason is that by requiring a specific decision to be made in order to change grants, attention will be focussed on this important characteristic of provincial/municipal relations. On the one hand the municipalities will be forced to document their case for any increases. On the other hand the Cabinet will have to consider the needs of the municipalities in light of other demands.

9. IT IS RECOMMENDED THAT ANY CHANGE IN THE GRANT STRUCTURE CONTINUE TO BE BASED ON SPECIFIC DECISIONS OF THE CABINET.

I SEWAGE TREATMENT GRANT

Sewage Treatment Grants were not dealt with in the same detail as were the other grants.

However it was noted that some municipalities are having difficulty financing the installation of sewage plants, even with the current generous formula. Therefore it may be necessary to further enrich the grant. Perhaps the Saskatchewan formula should be considered whereby grants are provided in order to keep the monthly charges at a rate deemed acceptable.

10. IT IS RECOMMENDED THAT THE SEWAGE TREATMENT GRANTS SHOULD BE PRESERVED AND ENRICHED.

J FEDERAL EQUALIZATION PAYMENTS

Some confusion has arisen in Prince Edward Island as a result of the federal government's decision to include the education portion of the real property tax in the equalization formula. A number of municipalities have contended that this money should have been passed on to the municipalities.

Since the money was specifically designated for educational purposes and since this is a provincial responsibility in Prince Edward Island it is difficult to support this contention. However, the municipalities might wish to consider lending their support to the provincial government in order to have the municipal portion of the real property tax included in the equalization formula. In return for their support the municipalities might wish to receive prior agreement from the provincial government on the allocation of the additional funds.

K CONCLUSION

The current provincial government grant program to municipalities is generous relative to grant programs in other provincial jurisdictions. It is also simple and easy to understand. These virtues should be preserved. However, the program can be made even simpler and at the same time promote greater recognition of local autonomy by consolidating the Per Capita, Fire Fighting and Street Grants (the Per Capita and Fire Fighting Grants in the case of Villages) into a single Unconditional Per Capita Grant.

This grant would recognize the differences in levels of service provided by the different jurisdictions by extending the principle of different grants to different levels even further. The recommendation is to change the current ratio of 2.0:1.0 to 1.7:1.3:1.0:0667. The total dollar amount available would

not be significantly increased but rather re-allocated using these ratios.

In the case of Charlottetown, Summerside and Other Towns there would be a Supplementary Equalization Grant the aim of which would be to equalize revenue between communities with a high per capita assessment (e.g. Charlottetown and Parkdale) and those with a low per capita assessment (e.g. Borden and Souris).

The new grant program for Community Improvement Districts would be reviewed in 1976. The Sewage Treatment Grant should be preserved and enriched.

Finally all future changes in the grant structure should be considered in light of changing circumstances by the Cabinet after consultation with the municipalities.

APPENDICES

APPENDIX I

GRANTS TO MUNICIPALITIES IN OTHER PROVINCES

A UNCONDITIONAL GRANTS

Unconditional grants are paid to municipalities by most provincial governments. The basis upon which the grant is given and the method used to compute the amount vary.

Ontario pays according to the size of the population. A base payment is made to which is added additional amounts on a sliding scale according to the population. The grant varies from $6.00 per capita in communities under 5,000 to $9.00 per capita in regional municipalities.

The provinces of Manitoba and Saskatchewan pay a per capita grant of $10.00 to all their municipalities.

Nova Scotia's unconditional per capita grant programme is closest to that of Prince Edward Island in that there are differing rates according to the level of local government. The amounts, $3.73 for cities, $3.00 for towns and $1.37 for rural municipalities are substantially less than those granted in Prince Edward Island.

Newfoundland bases its per capita payment on local tax collections. The grant is scaled in such a way that as the size of collections increases the per capita grant per $1.00 of collection decreases.

In New Brunswick, the unconditional grant program goes beyond a per capita amount. As a result of the 1973 Report of the Task Force on Municipal Structure and Financing, New Brunswick has implemented an unconditional grant program that is a percentage rate of municipal budgeted expenditures less non tax revenue. The size of the grant varies with the functions and expenditures of the different municipalities. The system includes a basic per capita payment plus an equalizing factor that takes into account per capita assessment, density and population. When this unconditional grant is calculated in per capita term there are wide variations among communities. For example, Saint John receives $89.21, Fredericton $65.99, Bath $17.72 and Meductic $23.37.

This unconditional grant programme eliminates many special purpose grants and takes into consideration such key factors as expenditures, tax base and population.

B GRANTS FOR PROTECTION TO PERSONS AND PROPERTY

Conditional grants to assist in protection to persons and property are common across the country. The nature of the grants, however, is inconsistent.

Newfoundland does not extend grants to support police services as law enforcement is entirely a provincial responsibility. Support for fire fighting services is limited since in most incorporated areas fire fighting is carried out by volunteer fire brigades. To those municipalities which do operate their own fire departments the provincial government will pay one-half of the cost of acquiring new equipment but gives no grants to subsidize operating costs.

In Ontario every municipality except those in metropolitan or regional municipalities is eligible to receive an extra $5.00 per capita over and above its unconditional per capita grant if it provides its own police force or is under contract with the Ontario Provincial Police in accordance with the Police Act.

Fire assistance grants are more limited. Only those municipalities located in parts of Ontario designated as fire districts or fire regions are eligible. In fire districts assistance is given to cover the total cost of fires on Crown Lands only and in fire regions assistance is given by agreement and only to control forest fires.

In Manitoba law enforcement grants are given to those towns and villages with population of 500-1,500 people, the amount of which ranges depending on the assessment value of the municipality and the actual cost of police services provided by the R.C.M.P. Although the grants were originally given as a response to the high cost of law enforcement, they are in fact unconditional and need not be applied to policing. No grants for fire protection are given in Manitoba.

In Saskatchewan no grants are given for fire protection services. Provision has been made, however, for the provincial government to assist certain communities in reducing the burden of providing police services because of low assessment and/or high costs due to special circumstances. Above a specified threshold the cost of the service is shared with the municipality. To establish the amount granted a formula is used based on equalized per capita assessment of the particular municipality as compared to the average equalized per capita assessment for that category of municipality.

In British Columbia assistance for policing is included in a $34.00 per capita conditional grant paid to municipalities. In the range of service priorities designated by the provincial government police ranks second behind roads and streets. A certain portion of the first $25.00 of the grant, after the portion to be applied to roads and streets is deducted, must be spent on police costs. No mention is made anywhere that any specific portion of the grant must be used for fire fighting nor are any other grants provided for that purpose.

In Nova Scotia police and fire protection are two of the local services which are cost-shared by the provincial government and a municipality according to proportions that vary among municipal units and are determined each year by regulation. The grants are paid in respect to the annual current cost of providing the service or the maximum eligible cost whichever is less.

The Province of New Brunswick in keeping with its policy of minimizing the number of conditional grants offers no grants specifically providing assistance for either police or fire fighting services. Presumably municipalities may devote whatever portion of their unconditional grant deemed appropriate to these services.

C. ROAD AND STREET GRANTS

Assistance to municipalities for construction and/or maintenance of roads and streets is very inconsistent across the country. Few provincial governments and particularly those outside the Atlantic Regions are as generous as that of Prince Edward Island.

In Newfoundland annual per capita road grants are paid to all municipalities and communities created under the Local Government and Community Councils Act. The funds allocated are to be spent exclusively on local roads. Rates are set in three ways. In all Local Road Board and Community Council areas having highroad connections, annual grants are computed on the basis of $400.00 per mile plus $1.00 per capita. Town Councils, Rural District Councils and Local Improvement Districts are granted $2.50 per capita. In all Local Road Board and Community Council areas without highroad connections the rate is $3.00 per capita.

The provincial government in New Brunswick has assumed full responsibility for construction and maintenance of arterial, collector and local highways within urban municipalities including provision of appropriate standard-width road surface, storm drainage, and where consistent with municipal standards, curbing, gutters and catch basins. Municipalities are left with responsibility for strictly local roads. Provincial assistance towards construction and maintenance of these roads is given through the unconditional grant program.

In Nova Scotia the provincial government may make arrangements with towns and cities to pay a percentage of the cost of construction, reconstruction or maintenance of highways which form a connecting link in a main trunk highway of the province or in a main highway leading into or through the town or city.

The percentage is equal to the provincial proportion of the cost of the Foundation Program of Education in the city or town as determined periodically under the Education Act and not less than 50 per cent of the cost of the highway work. Provincial assistance for work on urban sub-division roads in rural municipalities is calculated in the same manner.

The provincial government will also contribute toward the costs of snow removal and ice control on highways in cities and towns. The contribution is an amount which has been determined by using the estimated costs of snow removal in the area and a percentage based on the average provincial proportion of the Foundation Program of Education. In addition to these assistance programmes paid for by the Department of Highways, the Department of Municipal Affairs offers assistance towards the cost of constructing curbs and gutters and paving with permanent paving on municipal streets excluding those streets for which the municipality has agreement with the Department of Highways. Assistance is based on either the provincial proportion of the annual debt charges on debentures issued by a municipal unit for paving or the provincial proportion of an expenditure made out of revenue with the prior approval of the Minister, if the grant payable by the Department of Municipal Affairs with respect to all new expenditures made by the municipality in any year does not exceed $10,000.

In Manitoba highway grants are given to cities, towns and villages for capital construction. Funds are granted by approved project only and costs are shared on a 50-50 basis between the province and the municipality.

The province of Saskatchewan provides assistance for capital costs of construction only through the Department of Highways and Transportation. Municipalities are reimbursed after the completion of approved capital projects.

To municipalities of less than 15,000 the provincial government pays 50 per cent of the costs of arterial streets and sidewalks along arterial streets. For work on provincial highway connectors the municipalities are reimbursed 75 per cent. Municipalities with populations over 15,000 receive 50 per cent of the capital cost of work on arterial streets or provincial highway connectors. Operation and maintenance of roads and streets are strictly the responsibility of local governments.

In British Columbia only those municipalities that have already spent the portion of their per capita grant designated for the construction, repair and maintenance of roads and streets are eligible for further grant assistance. The provincial government will share 50-50 in the construction of curbs, gutters and storm drains on arterial highways in municipalities of less than 30,000. Cities of over 30,000 may apply for a special grant. With regard to secondary highways which are a municipal responsibility the provincial government will offer financial assistance based on 40-50

per cent of amount which has been spent by the municipality in excess of the designated portion of the per capita grant. Assistance to municipalities of less than 1,000 is at the discretion of the Minister of Highways. Contributions of up to 75 per cent of both capital and maintenance costs of secondary highways may be made by the provincial government.

D SEWAGE GRANTS

Grants designed to assist municipalities in the construction of water and sewage facilities are relatively recent phenomena. The amount granted is generally related to the capital cost of the project. The method of computing the amount varies from province to province.

In Nova Scotia the Department of the Environment will pay up to 20 per cent of the approved capital cost of trunk collector sewers or a sewage treatment plant, including the cost of the study or survey taken beforehand. The Department of Municipal Affairs will give assistance towards the cost of constructing, acquiring, altering, extending or improving public sewers or drains for eligible items included in the regulations of the Municipal Services Act. As with other conditional grants extended by this department the amount of assistance is either (1) the provincial proportion of the annual debt charges or debenture issued by a municipal unit for the purposes prescribed or (2) the provincial proportion of an expenditure made out of revenue with the prior approval of the Ministry, if the grant payable in any one year does not exceed $10,000.

The Ministry of the Environment in Ontario grants assistance to municipalities based on the capital cost of approved projects. In the case of the installation of major water and sanitary sewage works facilities which are to serve an area rather than only one municipality the provincial government will grant 15 per cent on the gross capital costs to the municipalities involved in the joint venture. To individual municipalities the Ministry will grant up to a maximum of 75 per cent of the total cost. Factors such as lot size, population and servicing costs are considered when establishing the size of the subsidy.

In Saskatchewan most assistance for this service is extended to municipalities under the Municipal Water Assistance Act. The objective of the programme is to assist urban municipalities, other than cities, to finance the installation of waterworks and sewage systems, or to improve water supply systems, water treatment or storage facilities, sewage treatment facilities and efficient disposal systems and to assist in research

on waterworks or sewer systems. Financial assistance for approved projects is intended to enable a municipality to provide self-liquidating utilities at a service charge deemed to be reasonable and to assist in closing the gap, if any, between anticipated capital indebtedness and debt limitations. The grant is calculated on a formula contained in regulations under the Municipal Water Assistance Act. A municipality eligible for a grant is entitled to 80 per cent of the amount required to keep the charges at a rate deemed acceptable. Presently rates considered reasonable are $4.00 per month for household water use and $2.00 per month for domestic sewer services. If the capital cost of the utility is such that the above charges will result in self-liquidation, the municipality is not normally eligible for a grant. Substantial supplementary grants may also be given to offset special circumstances. These grants are based on the additional capital cost.

The Province of Saskatchewan also provides assistance to help local governments provide community water and sewage services in hamlets, settlements, small villages and Indian Reserves with populations of up to 200 people by providing technical advice and designs for plastic water and sewage systems. Although the local government must finance the construction it may qualify for a grant of $100 per connection. Also if a municipality desires to install a waterworks system and no water supply has been established, or a new source of water supply is required for the operation of an existing system, a grant may be paid equal to 60 per cent of the cost to a maximum of $6,000.

The Department of Municipal Affairs in British Columbia assists municipalities in treatment plant construction. Where a municipality has borrowed money on terms and conditions acceptable to the Ministry,and used the money for the construction of a treatment plant, and further providing that the repayment of principle and interest is amortized over a period of not less than 20 years, the provincial government makes annual grants to to the municipality. The grants are set at 75 per cent of the amount by which the annual municipal repayments of principle and interest exceed the product of the three mill levy on all land and improvements within the municipality which are taxable under the Municipal Act.

In Newfoundland no specific grants for construction of water and sewer systems are given. However, assistance is provided by the provincial government through the guaranteeing of bank loans and debentures for capital projects not involving major expenditures. Presumably municipalities can get assistance for water and sewage projects under this programme.

Conditional stimulation grants for water and sewer systems are available to municipalities in New Brunswick. They are a rare exception in the overall unconditional grant system. Whereas in the past assistance was in the form of sharing annual debt charges, since the Report of the Task Force on Municipal Structure and Financing, the preference has been for capital contributions to reduce borrowing. A factor in setting priorities for this assistance is the availability of federal government aid.

STATISTICAL SCHEDULES

Schedule I	Grants to Municipalities	1970-1974
Schedule II	Grants to Municipalities in Per Capita Terms	1970-1974
Schedule III	Grants to Municipalities as a Percentage of Expenditures	1970-1974
Schedule IVA	Grants to Municipalities Per $100 of Property Assessment (Ex. Business)	1973-1974
Schedule IVB	Grants to Municipalities Per $100 of Total Assessment	1973-1974

SCHEDULE #I
FISCAL YEAR ENDED DECEMBER 31, 1970
GRANTS TO MUNICIPALITIES

MUNICIPALITY	Per Capita	Fire Fighting	OTHER			Sub-Total (Other)	Total Grant
			Pavement Assist.	Sewage	Other Grants		
Cities:							
Charlottetown	$221,124	$ -	$ -	$ -	*$46,250	$46,250	$267,374
Towns:							
Alberton	11,136	933	-	-	-	-	12,069
Borden	8,568	1,500	4,396	-	-	4,396	14,464
Georgetown	9,912	963	4,480	-	-	4,480	15,355
Kensington	12,264	822	9,044	-	-	9,044	22,130
Montague	17,520	1,450	-	-	-	-	18,970
Souris	17,316	-	-	-	-	-	17,316
Summerside	120,504	500	27,084	-	-	27,084	148,088
Villages:							
Bunbury	1,037	-	-	-	-	-	1,037
Cardigan	1,620	1,496	-	-	-	-	3,116
Central Bedeque	785	-	-	-	-	-	785
Cornwall	3,006	-	-	-	-	-	3,006
Crapaud	1,686	1,500	-	-	-	-	3,186
Kinkora	1,704	1,500	-	-	-	-	3,204
Miminigash	1,800	1,500	-	-	-	-	3,300
Miscouche	4,242	624	-	-	-	-	4,866
Morell	2,180	1,264	-	-	-	-	3,444

* This amount made up of: $20,000 In lieu of income and gasoline tax
22,500 Amalgamation Grant
3,750 Victoria Park Roadway Grant

Source: Annual Report of The Department of Community Services and Departmental Working Papers.

TOUCHE ROSS & CO.

SCHEDULE #I
FISCAL YEAR ENDED DECEMBER 31, 1970
GRANTS TO MUNICIPALITIES

MUNICIPALITY	Per Capita	Fire Fighting	OTHER			Sub-Total (Other)	Total Grant
			Pavement Assist.	Sewage	Other Grants		
Villages: (continued)							
Mount Stewart	$ 2,640	$ 1,500	$ -	$ -	$ -	$ -	$ 4,140
Murray Harbour	2,478	1,260	-	-	-	-	3,738
Murray River	3,156	902	-	-	-	-	4,058
North Rustico	5,647	837	-	-	-	-	6,484
O'Leary	4,578	425	-	-	-	-	5,003
Parkdale	13,788	1,500	-	-	-	-	15,288
St. Eleanors	9,378	1,016	-	-	-	-	10,394
St. Louis	175	-	-	-	-	-	175
St. Peters	1,758	1,500	-	-	-	-	3,258
Sherwood	20,448	1,500	-	-	-	-	21,948
Tignish	5,976	-	-	-	-	-	5,976
Tyne Valley	996	-	-	-	-	-	996
Victoria	1,272	1,193	-	-	-	-	2,465
Wellington	2,130	-	-	-	-	-	2,130
Wilmot	3,894	-	-	-	-	-	3,894
Charlottetown	221,124	-	-	-	46,250	46,250	267,374
Summerside	120,504	500	27,084	-	-	27,084	148,088
Other Towns	76,716	5,668	17,920	-	-	17,920	100,304
Total Villages	96,374	19,517	-	-	-	-	115,891
Grand Total	514,718	25,685	45,004		46,250	91,254	631,657

TOUCHE ROSS & CO.

SCHEDULE #I
FISCAL YEAR ENDED DECEMBER 31, 1971
GRANTS TO MUNICIPALITIES

MUNICIPALITY	Per Capita	Fire Fighting	OTHER			Sub-Total (Other)	Total Grant
			Pavement Assist.	Sewage	Other Grants		
Cities:							
Charlottetown	$223,572	$ -	$ -	$ -	*$46,250	$46,250	$269,822
Towns:							
Alberton	11,664	695	3,203	-	-	3,203	15,562
Borden	7,560	671	-	-	-	-	8,231
Georgetown	9,180	1,209	-	-	-	-	10,389
Kensington	12,948	1,350	5,234	-	-	5,234	19,532
Montague	19,128	1,500	7,786	-	-	7,786	28,414
Souris	16,380	2,144	3,739	-	-	3,739	22,263
Summerside	120,504	500	25,630	-	-	25,630	146,634
Villages:							
Bunbury	2,880	-	-	-	-	-	2,880
Cardigan	939	1,500	-	-	-	-	2,439
Central Bedeque	522	-	-	-	-	-	522
Cornwall	3,612	-	-	-	-	-	3,612
Crapaud	1,686	380	-	-	-	-	2,066
Kinkora	1,680	625	-	-	-	-	2,305
Miminigash	690	1,500	-	-	-	-	2,190
Miscouche	4,410	740	-	-	-	-	5,150
Morell	2,418	533	-	-	-	-	2,951

* This amount made up of: $20,000 In lieu of income and gasoline tax
22,500 Amalgamation Grant
3,750 Victoria Park Roadway Grant

Source: Annual Report of The Department of Community Services and Departmental Working Papers.

TOUCHE ROSS & CO.

SCHEDULE #I
FISCAL YEAR ENDED DECEMBER 31, 1971
GRANTS TO MUNICIPALITIES

MUNICIPALITY	Per Capita	Fire Fighting	OTHER			Sub-Total (Other)	Total Grant
			Pavement Assist.	Sewage	Other Grants		
Villages: (continued)							
Mount Stewart	$ 2,616	$ 1,500	$ -	$ -	$ -	$ -	$ 4,116
Murray Harbour	2,474	1,500	-	-	-	-	3,974
Murray River	3,156	1,500	-	-	-	-	4,656
North Rustico	5,760	1,012	-	-	-	-	6,772
O'Leary	4,692	1,500	-	-	-	-	6.192
Parkdale	14,262	1,500	-	-	-	-	15,762
St. Eleanors	9,522	291	-	-	-	-	9,813
St. Louis	175	-	-	-	-	-	175
St. Peters	1,760	353	-	-	-	-	2,113
Sherwood	22,524	1,500	-	-	-	-	24,024
Tignish	5,976	1,500	-	-	** 1,515	1,515	8,991
Tyne Valley	996	1,500	-	-	-	-	2,496
Victoria	1,320	1,265	-	-	-	-	2,585
Wellington	2,130	1,500	-	-	-	-	3,630
Wilmot	4,290	-	-	1,672	-	1,672	5,962
Charlottetown	223,572	-	-	-	46,250	46,250	269,822
Summerside	120,504	500	25,630	-	-	25,630	146,634
Other Towns	76,860	7,569	19,962	-	-	19,962	104,391
Total Villages	100,490	21,699	-	1,672	1,515	3,187	125,376
Grand Total	521,426	29,768	45,592	1,672	47,765	95,029	646,223

** Sidewalk Assistance Grant.

TOUCHE ROSS & CO.

SCHEDULE #I
FISCAL YEAR ENDED DECEMBER 31, 1972
GRANTS TO MUNICIPALITIES

MUNICIPALITY	Per Capita	Fire Fighting	Other				Total Grant
			Pavement Assist.	Sewage	Other Grants	Sub-Total (Other)	
Cities:							
Charlottetown	$229,596	$ -	$ -	$ -	*$46,250	$46,250	$275,846
Towns:							
Alberton	11,676	511	6,770	5,023	-	11,793	23,980
Borden	8,496	561	-	-	-	-	9,057
Georgetown	9,204	579	-	-	-	-	9,783
Kensington	13,032	1,289	12,559	-	-	12,559	26,880
Montague	19,296	1,500	12,616	-	-	12,616	33,412
Souris	17,856	1,174	166	-	-	166	19,196
Summerside	113,268	500	1,454	-	-	1,454	115,223
Villages:							
Bunbury	3,132	-	-	-	-	-	3,132
Cardigan	1,231	126	-	-	-	-	1,357
Central Bedeque	522	-	-	-	-	-	522
Cornwall	4,112	-	-	-	-	-	4,112
Crapaud	1,686	237	-	-	-	-	1,923
Kinkora	1,680	559	-	-	-	-	2,239
Miminigash	1,587	416	-	-	-	-	2,003
Miscouche	4,464	455	-	-	-	-	4,919
Morell	2,418	163	-	-	-	-	2,581

* This amount made up of: $20,000 In lieu of income and gasoline
22,500 Amalgamation
3,750 Victoria Pack Roadway

Source: Annual Report of The Department of Community Services and Departmental Working Papers.

TOUCHE ROSS & CO.

SCHEDULE #I
FISCAL YEAR ENDED DECEMBER 31, 1972
GRANTS TO MUNICIPALITIES

MUNICIPALITY	Per Capita	Fire Fighting	Other			Sub-Total (Other)	Total Grant
			Pavement Assist.	Sewage	Other Grants		
Villages (Cont'd)							
Mount Stewart	$ 2,616	$ 829	$ -	$ -	$ -	$ -	$ 3,445
Murray Harbour	2,514	1,500	-	-	-	-	4,014
Murray River	2,666	1,150	-	-	-	-	3,816
North Rustico	5,760	1,493	-	-	-	-	7,253
O'Leary	4,692	1,500	-	-	-	-	6,192
Parkdale	14,000	1,500	-	-	-	-	15,500
St. Eleanors	9,666	512	-	-	-	-	10,178
St. Louis	178	-	-	-	-	-	178
St. Peters	2,160	372	-	-	-	-	2,532
Sherwood	22,752	1,500	-	-	-	-	24,252
Tignish	6,270	1,500	-	-	-	-	7,770
Tyne Valley	996	1,650	-	-	-	-	2,646
Victoria	1,320	318	-	-	-	-	1,638
Wellington	2,130	1,500	-	-	-	-	3,630
Wilmot	4,416	2,000	-	-	-	-	6,416
Charlottetown	229,996	-	-	-	46,250	46,250	275,846
Summerside	113,268	500	1,454	-	-	1,454	115,222
Other Towns	79,560	5,614	32,111	5,023	-	37,134	122,308
Total Villages	102,968	19,280	-	-	-	-	122,248
Grand Total	525,392	25,394	33,565	5,023	46,250	84,838	635,624

SCHEDULE #I
FISCAL YEAR ENDED DECEMBER 31, 1973
GRANTS TO MUNICIPALITIES

MUNICIPALITY	Per Capita	Fire Fighting	OTHER			Sub-Total (Other)	Total Grant
			Pavement Assist. (Towns)	Sewage	Other Grants		
Cities:							
Charlottetown	$229,596	$ -	$ -	$ -	*$46,250	$ 46,250	$275,846
Towns:							
Alberton	12,252	820	4,671	-	-	4,671	17,743
Borden	7,800	797	496	20,000	** 12,513	33,009	41,606
Georgetown	9,204	2,000	3,789	-	-	3,789	14,993
Kensington	13,032	2,000	9,172	-	-	9,172	24,204
Montague	19,296	2,000	-	-	-	-	21,296
Souris	17,172	2,000	-	-	-	-	19,172
Summerside	113,268	500	25,878	-	-	25,878	139,646
Villages:							
Bunbury	3,162	-	-	-	-	-	3,162
Cardigan	1,608	310	-	-	-	-	1,918
Central Bedeque	1,032	-	-	-	-	-	1,032
Cornwall	4,338	-	-	-	-	-	4,338
Crapaud	1,422	349	-	-	-	-	1,771
Kinkora	1,692	440	-	-	-	-	2,132
Miminigash	2,502	2,000	-	-	-	-	4,502
Miscouche	4,560	1,513	-	-	-	-	6,073
Morell	2,322	1,250	-	-	-	-	3,572

* This amount made up of: $20,000 In lieu of income and gasoline tax
22,500 Amalgamation Grant
3,750 Victoria Park Roadway Grant

** Grant to finance an arena

Source: Annual Report of the Department of Community Services and Departmental Working Papers.

TOUCHE ROSS & CO.

SCHEDULE #I

FISCAL YEAR ENDED DECEMBER 31, 1973

GRANTS TO MUNICIPALITIES

MUNICIPALITY	Per Capita	Fire Fighting	OTHER			Sub-Total (Other)	Total Grant
			Pavement Assist.	Sewage	Other Grants		
Villages: (continued)							
Mount Stewart	$ 2,478	$ 1,800	$ -	$ -	***$30,000	$ 30,000	$ 34,278
Murray Harbour	2,544	2,000	-	-	-	-	4,544
Murray River	2,868	1,270	-	-	-	-	4,138
North Rustico	4,764	1,675	-	-	-	-	6,439
O'Leary	4,788	2,000	-	-	-	-	6,788
Parkdale	14,000	2,000	-	-	-	-	16,000
St. Eleanors	11,820	2,988	-	-	-	-	14,808
St. Louis	188	-	-	-	-	-	188
St. Peters	2,220	633	-	-	-	-	2,853
Sherwood	24,456	2,000	-	-	-	-	26,456
Southport	3,840	-	-	-	-	-	3,840
Tignish	6,360	2,500	-	-	**** 500	500	9,360
Tyne Valley	900	-	-	-	-	-	900
Victoria	1,212	582	-	-	-	-	1,794
Wellington	2,082	2,000	-	-	-	-	4,082
Wilmot	4,860	2,000	-	22,676	-	22,676	29,536
Charlottetown	229,596	-	-	-	46,250	46,250	275,846
Summerside	113,268	500	25,878	-	-	25,878	139,646
Other Towns	78,756	9,617	18,128	20,000	12,513	50,641	139,014
Total Villages	112,018	29,310	-	22,676	30,500	53,176	194,504
Grand Total	533,638	39,427	44,006	42,676	89,263	175,945	749,010

*** Sewage area (one time grant)

**** Grant for paving in front of fire hall.

SCIEDULE #I
FISCAL YEAR ENLED DECEMBER 31, 1974
(ESTIMATES) GRANTS TO MUNICIPALITIES

MUNICIPALITY	Per Capita	Fire Fighting	OTHER			Sub-Total (Other)	Total Grant
			Designated Streets	Non-Designated Streets	Sewage		
Charlottetown	$344,394	$ 2,500	$120,750	$ 46,000	$ 40,000	$206,750	$ 553,644
Summerside	169,902	2,500	52,400	27,000	75,000	154,440	326,842
Other towns	160,704	15,000	-	27,000	42,500	69,500	245,204
Villages	150,000	55,000	-	-	42,500	42,500	247,500
Grand Total	825,000	75,000	173,190	100,000	200,000	473,190	1,373,190

Source:
Estimates supplied by the Department of Community Services.

TOUCHE ROSS & CO.

SCHEDULE #II
FISCAL YEAR ENDED DECEMBER 31, 1970
GRANTS TO MUNICIPALITIES IN PER CAPITA TERMS

MUNICIPALITY	D.B.S.	Census	Per Capita Grants	Per Capita Amount	Fire Fighting	Per Capita Amount	Sub-Total (Other)	Per Capita Amount	Total Grant	Per Capita Amount
Cities:										
Charlottetown	18,428	-	$221,124	$12.00	$ -	$ -	$46,250	$2.51	$267,374	$14.51
Towns:										
Alberton	-	928	11,136	12.00	933	1.01	-	-	12,069	13.01
Borden	714	-	8,568	12.00	1,500	2.10	4,396	6.16	14,464	20.26
Georgetown	826	-	9,912	12.00	963	1.17	4,480	5.42	15,355	18.59
Kensington	1,022	-	12,264	12.00	822	.80	9,044	8.85	22,130	21.65
Montague	-	1,460	17,520	12.00	1,450	.99	-	-	18,970	12.99
Souris	1,443	-	17,316	12.00	-	-	-	-	17,316	12.00
Summerside	10,042	-	120,504	12.00	500	.05	27,084	2.70	148,088	14.75
Villages:										
Bunbury	-	465	1,037	2.23	-	-	-	-	1,037	2.23
Cardigan	-	270	1,620	6.00	1,496	5.54	-	-	3,116	11.54
Central Bedeque	-	165	785	4.76	-	-	-	-	785	4.76
Cornwall	-	501	3,006	6.00	-	-	-	-	3,006	6.00
Crapaud	-	281	1,686	6.00	1,500	5.34	-	-	3,186	11.34
Kinkora	-	284	1,704	6.00	1,500	5.28	-	-	3,204	11.28
Miminigash	-	352	1,800	5.11	1,500	4.26	-	-	3,300	9.38
Miscouche	-	729	4,242	5.82	624	.86	-	-	4,866	6.67
Morell	-	390	2,180	5.59	1,264	3.24	-	-	3,444	8.83

Figures for D.B.S. or Census taken from Appendix "A" of the Annual Report of The Department of Community Services.
The census figure is used when available.
All other figures taken from Scedule #1.

TOUCHE ROSS & CO.

SCHEDULE #II
FISCAL YEAR ENDED DECEMBER 31, 1970
GRANTS TO MUNICIPALITIES IN PER CAPITAL TERMS

MUNICIPALITY	D.B.S.	Census	Per Capita Grant	Per Capita Amount	Fire Fighting	Per Capita Amount	Sub-Total (Other)	Per Capita Amount	Total Grant	Per Capita Amount
Villages: (continued)										
Mount Stewart	-	440	$ 2,640	$ 6.00	$ 1,500	$3.41	$ -	$ -	$ 4,140	$ 9.41
Murray Harbour	-	434	2,478	5.71	1,260	2.90	-	-	3,738	8.62
Murray River	-	524	3,156	6.02	902	1.72	-	-	4,058	7.74
North Rustico	-	946	5,647	5.97	837	.88	-	-	6,484	6.85
O'Leary	-	782	4,578	5.85	425	.54	-	-	5,003	6.39
Parkdale	-	2,298	13,788	6.00	1,500	.65	-	-	15,288	6.65
St. Eleanors	-	1,563	9,378	6.00	1,016	.65	-	-	10,394	6.65
St. Louis	-	146	175	1.99	-	-	-	-	175	1.99
St. Peters	-	293	1,758	6.00	1,500	5.12	-	-	3,258	11.12
Sherwood	-	3,400	20,448	6.01	1,500	.44	-	-	21,948	6.45
Tignish	-	996	5,976	6.00	-	-	-	-	5,976	6.00
Tyne Valley	-	166	996	6.00	-	-	-	-	996	6.00
Victoria	-	212	1,272	6.00	1,193	5.63	-	-	2,465	11.63
Wellington	-	355	2,130	6.00	-	-	-	-	2,130	6.00
Wilmot	-	649	3,894	6.00	-	-	-	-	3,894	6.00
Charlottetown	18,428	-	221,124	12.00	-	-	46,250	2.51	267,374	14.51
Summerside	10,042	-	120,504	12.00	500	.05	27,084	2.70	148,088	14.74
Other Towns (6,393)	4,005	2,388	76,716	12.00	5,668	.88	17,920	2.80	100,304	15.68
Total Villages	-	16,641	96,374	5.79	19,517	1.17	-	-	115,891	6.96
Grand Total (51,504)	32,475	19,029	514,718	9.99	25,685	.49	91,254	1.77	631,657	12.26

TOUCHE ROSS & CO.

SCHEDULE #II
FISCAL YEAR ENDED DECEMBER 31, 1971
GRANTS TO MUNICIPALITIES IN PER CAPITA TERMS

MUNICIPALITY	D.B.S.	Census	Per Capita Grant	Per Capita Amount	Fire Fighting	Per Capita Amount	Sub-Total (Other)	Per Capita Amount	Total Grant	Per Capita Amount
Cities:										
Charlottetown	-	18,631	$223,572	$12.00	$ -	$ -	$46,250	$2.48	$269,822	$14.49
Towns:										
Alberton	-	972	11,664	12.00	695	72	3,203	3.30	15,562	16.01
Borden	-	650	7,560	11.63	671	1.03	-	-	8,231	12.66
Georgetown	-	765	9,180	12.00	1,209	1.58	-	-	10,389	13.58
Kensington	-	1,079	12,948	12.00	1,350	1.25	5,234	4.85	19,532	18.10
Montague	-	1,594	19,128	12.00	1,500	94	7,786	4.88	28,414	17.83
Souris	-	1,365	16,380	12.00	2,144	1.57	3,739	2.74	22,263	16.31
Summerside	-	10,042	120,504	12.00	500	.05	25,630	2.55	146,634	14.60
Villages:										
Bunbury	-	522	2,880	5.52	-	-	-	-	2,880	5.52
Cardigan	-	270	939	3.48	1,500	5.55	-	-	2,439	9.03
Central Bedeque	-	170	522	3.07	-	-	-	-	522	3.07
Cornwall	-	699	3,612	5.17	-	-	-	-	3,612	5.17
Crapaud	-	244	1,686	6.91	380	1.56	-	-	2.066	8.47
Kinkora	-	272	1,680	6.18	625	2.30	-	-	2,305	8.47
Miminigash	-	352	690	1.96	1,500	4.26	-	-	2,190	6.22
Miscouche	-	707	4,410	6.24	740	1.05	-	-	5,150	7.28
Morell	-	368	2,418	6.57	533	1.49	-	-	2,951	8.02

Figure for D.B.S. or Census taken from Appendix "A" of The Annual Report of The Department of Community Services.
The census figure is used when available.
All other figures taken from Schedule #1.

TOUCHE ROSS & CO.

SCHEDULE #II
FISCAL YEAR ENDED DECEMBER 31, 1971
GRANTS TO MUNICIPALITIES IN PER CAPITA TERMS

MUNICIPALITY	D.B.S.	Census	Per Capita Grant	Per Capita Amount	Fire Fighting	Per Capita Amount	Sub-Total (Other)	Per Capita Amount	Total Grant	Per Capita Amount
Villages (Cont'd)										
Mount Stewart	-	430	$ 2,616	$ 6.08	$ 1,500	$3.49	$ -	$ -	$ 4,116	$ 9.57
Murray Harbour	-	425	2,474	5.82	1,500	3.53	-	-	3,974	9.35
Murray River	-	533	3,156	5.92	1,500	2.81	-	-	4,656	8.74
North Rustico	-	764	5,760	7.54	1,012	1.32	-	-	6,772	8.86
O'Leary	-	808	4,692	5.81	1,500	1.86	-	-	6,192	7.66
Parkdale	-	2,321	14,262	6.14	1,500	65	-	-	15,762	6.79
St. Eleanor's	-	1,682	9,522	5.66	291	17	-	-	9,813	5.83
St. Louis	-	151	175	1.16	-	-	-	-	175	1.16
St. Peter's	-	360	1,760	4.89	353	98	-	-	2,113	5.87
Sherwood	-	3,792	22,524	5.94	1,500	40	-	-	24,024	6.34
Tignish	-	1,045	5,976	5.71	1,500	1.44	1,515	1.45	8,991	8.60
Tyne Valley	-	151	996	6.60	1,500	9.93	-	-	2,496	16.53
Victoria	-	215	1,320	6.14	1,265	5.88	-	-	2,585	12.02
Wellington	-	347	2,130	6.14	1,500	4.32	-	-	3,630	10.46
Wilmot	-	770	4,290	5.57	-	-	1,672	2.17	5,962	7.74
Charlottetown	-	18,631	223,572	12.00	-	-	46,250	2.48	269,822	14.49
Summerside	-	10,042	120,504	12.00	500	.05	25,630	2.55	146,634	14.60
Other Towns	-	6,425	76,860	11.96	7,569	1.17	19,962	3.11	104,391	16.24
Total Villages	-	17,398	100,490	5.78	21,699	1.25	3,187	.18	125,376	7.21
Grand Total	-	52,496	521,426	9.93	29,768	.57	95,029	1.81	646,223	12.31

TOUCHE ROSS & CO.

SCHEDULE #II
FISCAL YEAR ENDED DECEMBER 31, 1972
GRANTS TO MUNICIPALITIES IN PER CAPITA TERMS

MUNICIPALITY	D.B.S.	Census	Per Capita Grant	Per Capita Amount	Fire Fighting	Per Capita Amount	Sub-Total (Other)	Per Capita Amount	Total Grant	Per Capita Amount
Cities:										
Charlottetown	19,133	-	$229,596	$12.00	$ -	$ -	$46,250	$ 2.42	$275,846	$14.42
Towns:										
Alberton	-	972	11,676	12.01	511	53	11,793	12.13	23,980	24.67
Borden	-	650	8,496	13.07	561	86	-	-	9,057	13.93
Georgetown	-	765	9,204	12.03	579	76	-	-	9,783	12.79
Kensington	-	1,079	13,032	12.08	1,289	1.19	12,559	11.64	26,880	24.91
Montague	-	1,594	19,296	12.11	1,500	94	12,616	7.91	33,412	20.96
Souris	-	1,431	17,856	12.48	1,174	82	166	12	19,196	13.41
Summerside	-	10,042	113,268	11.28	500	05	1,454	14	115,222	11.47
Villages:										
Bunbury	-	522	3,132	6.00	-	-	-	-	3,132	6.00
Cardigan	-	268	1,231	4.59	126	47	-	-	1,357	5.06
Central Bedeque	-	172	522	3.03	-	-	-	-	522	3.03
Cornwall	-	723	4,112	5.69	-	-	-	-	4,112	5.69
Crapaud	-	237	1,686	7.11	237	1.00	-	-	1,923	8.11
Kinkora	-	282	1,680	5.96	559	1.98	-	-	2,239	7.94
Miminegash	-	352	1,587	4.51	416	1.18	-	-	2,003	5.69
Miscouche	-	760	4,464	5.87	455	.60	-	-	4,919	6.47
Morell	-	368	2,418	6.57	163	.44	-	-	2,581	7.01

Figures for D.B.S. or Census taken from Appendix "A" of the Annual Report of the Department of Community Services.
The census figure is used when available.
All other figures taken from Schedule #1.

TOUCHE ROSS & CO.

SCHEDULE #II
FISCAL YEAR ENDED DECEMBER 31, 1972
GRANTS TO MUNICIPALITIES IN PER CAPITA TERMS

MUNICIPALITY	D.B.S.	Census	Per Capita Grant	Per Capita Amount	Fire Fighting	Per Capita Amount	Sub-Total (Other)	Per Capita Amount	Total Grant	Per Capita Amount
Villages: (continued)										
Mount Stewart	-	430	$ 2,616	$ 6.08	$ 829	$1.93	$ -	$ -	$ 3,445	$ 8.01
Murray Harbour	-	424	2,514	5.93	1,500	3.54	-	-	4,014	9.47
Murray River	-	533	2,666	5.00	1,150	2.16	-	-	3,816	7.16
North Rustico	-	794	5,760	7.25	1,493	1.88	-	-	7,253	9.13
O'Leary	-	798	4,692	5.88	1,500	1.88	-	-	6,192	7.76
Parkdale	-	2,321	14,000	6.03	1,500	.65	-	-	15,500	6.68
St. Eleanors	-	1,970	9,666	4.91	512	.26	-	-	10,178	5.17
St. Louis	-	150	178	1.19	-	-	-	-	178	1.19
St. Peters	-	360	2,160	6.00	372	1.03	-	-	2,532	7.03
Sherwood	-	4,076	22,752	5.5	1,500	.37	-	-	24,252	5.95
Tignish	-	1,045	6,270	6.00	1,500	1.44	-	-	7,770	7.44
Tyre Valley	-	122	996	8.16.	1,650	13.52	-	-	2,646	21.69
Victoria	-	202	1,320	6.53	318	1.57	-	-	1,638	8.11
Wellington	-	347	2,130	6.13	1,500	4.32	-	-	3,630	10.46
Wilmot	-	810	4,416	5.45	2,000	2.47	-	-	6,416	7.92
Charlottetown	19,133	-	229,596	12.00	-	-	46,250	2.42	275,846	14.42
Summerside	-	10,042	113,268	11.28	500	.05	1,454	.14	115,222	11.47
Other Towns	-	6,491	79,560	12.25	5,614	.86	37,134	5.77	122,308	18.84
Total Villages	-	18,066	102,968	5.70	19,280	1.07	-	-	122,248	6.77
Grand Total (53,732)	19,133	34,599	525,392	9.77	25,394	.47	84,838	1.58	635,624	11.82

SCHEDULE #II
FISCAL YEAR ENDED DECEMBER 31, 1973
GRANTS TO MUNICIPALITIES IN PER CAPITA TERMS

MUNICIPALITY	D.B.S.	Census	Per Capita Grants	Per Capita Amount	Fire Fighting	Per Capita Amount	Sub-Total (Other)	Per Capita Amount	Total Grant	Per Capita Amount
Cities:										
Charlottetown	$19,133	$ -	$229,596	$12.00	$ -	$ -	$ 46,250	$ 2.42	$275,846	$14.42
Towns:										
Alberton	-	1,021	12,252	12.00	820	.80	4,671	4.57	17,743	17.37
Borden	-	650	7,800	12.00	797	1.23	33,009	50.78	41,606	64.00
Georgetown	767	-	9,204	12.00	2,000	2.61	3,789	4.94	14,993	19.54
Kensington	1,086	-	13,032	12.00	2,000	1.84	9,172	8.45	24,204	22.28
Montague	-	1,743	19,296	11.07	2,000	1.15	-	-	21,296	12.21
Souris	-	1,431	17,172	12.00	2,000	1.40	-	-	19,172	13.39
Summerside	9,439	-	113,268	12.00	500	.05	25,878	2.74	139,646	14.79
Villages:										
Bunbury	-	575	3,162	5.50	-		-	-	3,162	5.50
Cardigan	-	268	1,608	6.00	310	1.16	-	-	1,918	7.16
Central Bedeque	-	191	1,032	5.40	-	-	-	-	1,032	5.40
Cornwall	-	837	4,338	5.18	-	-	-	-	4,338	5.18
Crapaud	-	242	1,422	5.88	349	1.44	-	-	1,771	7.32
Kinkora	-	297	1,692	5.70	440	1.48	-	-	2,132	7.18
Miminigash	417	-	2,502	6.00	2,000	4.80	-	-	4,502	10.80
Miscouche	-	760	4,560	6.00	1,513	2.00	-	-	6,073	7.99
Morell	387	-	2,322	6.00	1,250	3.22	-	-	3,572	9.23

Figures for D.B.S. or Census taken from Appendix "A" of the Annual Report of the Department of Community Services.
The census figure is used when available.
All other figures taken from Schedule #I.

TOUCHE ROSS & CO.

SCHEDULE #II
FISCAL YEAR ENDED DECEMBER 31, 1973
GRANTS TO MUNICIPALITIES IN PER CAPITA TERMS

TOUCHE ROSS & CO.

MUNICIPALITY	D.B.S.	Census	Per Capita Grant	Per Capita Amount	Fire Fighting	Per Capita Amount	Sub-Total (Other)	Per Capita Amount	Total Grant	Per Capita Amount
Villages: (continued)										
Mount Stewart	$ 413	$ -	$ 2,478	$ 6.00	$ 1,800	$4.36	$ 30,000	$72.64	$ 34,278	$83.00
Murray Harbour	-	428	2,544	5.94	2,000	4.67	-	-	4,544	10.62
Murray River	-	536	2,868	5.35	1,270	2.37	-	-	4,138	7.72
North Rustico	-	815	4,764	5.85	1,675	2.05	-	-	6,439	7.90
O'Leary	-	816	4,788	5.87	2,000	2.45	-	-	6,788	8.32
Parkdale	-	2,340	14,000	5.98	2,000	85	-	-	16,000	6.84
St. Eleanors	-	2,212	11,820	5.34	2,988	1.35	-	-	14,808	6.69
Lt. Louis	-	150	188	1.25	-	-	-	-	188	1.25
St. Peters	-	381	2,220	5.83	633	1.66	-	-	2,853	7.49
Sherwood	-	4,545	24,456	5.38	2,000	44	-	-	26,456	5.82
Southport	-	640	3,840	6.00	-	-	-	-	3,840	6.00
Tignish	1,060	-	6,360	6.00	2,500	2.36	500	47	9,360	8.83
Tyne Valley	-	123	900	7.32	-	-	-	-	900	7.32
Victoria	-	202	1,212	6.00	582	2.88	-	-	1,794	8.88
Wellington	-	359	2,082	5.80	2,000	5.57	-	-	4,082	11.37
Wilmot	-	885	4,860	5.49	2,000	2.26	22,676	25.62	29,536	33.37
Charlottetown (19,133)	19,133	-	229,596	12.00	-	-	46,250	2.42	275,846	14.42
Summerside (9,439)	9,439	-	113,268	12.00	500	.05	25,878	2.74	139,646	14.79
Other Towns (6,698)	1,853	4,845	78,756	11.76	9,617	1.44	50,641	7.56	139,014	20.75
Total Villages (19,879)	2,277	17,602	112,018	5.63	29,310	1.47	53,176	2.67	194,504	9.78
Grand Total (55,149)	-	-	533,638	9.68	39,427	.71	175,945	3.19	749,010	13.58

SCHEDULE #II
FISCAL YEAR ENDED DECEMBER 31, 1974
(ESTIMATES) GRANTS TO MUNICIPALITIES IN PER CAPITA TERMS

							OTHER									
MUNICIPALITY	D.B.S.	Census	Per Capita Grant	Per Capita Amount	Fire Fighting	Per Capita Amount	Desig-nated Streets	Per Capita Amount	Non-Desig-nated Streets	Per Capita Amount	Sewage	Per Capita Amount	Sub-Total (Other)	Per Capita Amount	Total Grant	Per Capita Amount
Charlottetown	$19,133	$ -	$344,394	$18.00	$ 2,500	$0.13	$120,750	$6.31	$ 46,000	$2.40	$ 40,000	$2.09	$206,750	$10.81	$ 553,644	$28.94
Summerside	9,439	-	169,902	18.00	2,500	.26	52,440	5.56	27,000	2.86	75,000	7.95	154,440	16.36	326,842	34.63
Other towns (9,118)	1,853	7,265	160,704	17.63	15,000	1.65	-	-	27,000	2.96	42,500	4.66	69,500	7.62	245,204	26.89
Villages (18,434)	2,545	15,889	150,000	8.14	55,000	2.98	-	-	-	-	42,500	2.31	42,500	2.30	247,500	13.43
Grand total (56,124)	32,970	23,154	825,000	14.70	75,000	1.34	173,190	3.08	100,000	1.78	200,000	3.56	473,190	8.43	1,373,190	24.47

Source:
Population figures taken from D.B.S. and Census figures used in Departmental Estimates.
All other figures taken from Schedule #1.

TOUCHE ROSS & CO.

SCHEDULE #III
FISCAL YEAR ENDED DECEMBER 31, 1970
GRANTS TO MUNICIPALITIES AS A PERCENTAGE OF EXPENDITURES

MUNICIPALITY	Total Expenditures	Per Capita	Percentage	Fire Fighting	Percentage	Sub-Total (Other)	Percentage	Total Grant	Percentage
Cities:									
Charlottetown	$3,602,024	$221,124	6.14	$ -	-	$46,250	1.28	$267,374	7.42
Towns:									
Alberton	57,175	11,136	19.48	933	1.63	-	-	12,069	21.10
Borden	33,573	8,568	25.52	1,500	4.48	4,396	13.09	14,464	43.08
Georgetown	45,779	9,912	21.65	963	2.10	4,480	9.79	15,355	33.54
Kensington	72,553	12,264	16.90	822	1.13	9,044	12.47	22,130	30.50
Montague	67,361	17,520	26.01	1,450	2.15	-	-	18,970	28.16
Souris	110,052	17,316	15.73	-	-	-	-	17,316	15.73
Summerside	* 1,164,101	120,504	10.35	500	.43	27,084	2.33	148,088	12.72
Villages									
Bunbury	4,529	1,037	22.90	-	-	-	-	1,037	22.90
Cardigan	4,897	1,620	33.08	1,496	30.55	-	-	3,116	63.63
Central Bedeque	770	785	100.95	-	-	-	-	785	101.95
Cornwall	16,978	3,006	17.70	-	-	-	-	3,006	17.70
Crapaud	6,565	1,686	25.68	1,500	22.85	-	-	3,186	48.53
Kinkora	7,362	1,704	23.15	1,500	20.37	-	-	3,204	43.52
Miminigash	2,890	1.800	62.28	1,500	51.90	-	-	3,300	114.19
Miscouche	14,764	4,242	28.73	624	4.23	-	-	4,866	32.96
Morell	14,323	2,180	15.22	1,264	8.82	-	-	3,444	24.04

Figures for Total Expenditures are taken from Appendix "E" of the Annual Report of the Department of Community Services with the exception of the Town of Summerside. These adjustments have been made to net out expenditures on the town's electrical utility in order to make Summerside's data comparable to that of the other Municipalities.
All other figures taken from Schedule #1.

TOUCHE ROSS & CO.

SCHEDULE #III
FISCAL YEAR ENDED DECEMBER 31, 1970
GRANTS TO MUNICIPALITIES AS A PERCENTAGE OF EXPENDITURES

MUNICIPALITY	Total Expenditures	Per Capita	Percentage	Fire Fighting	Percentage	Sub-Total (Other)	Percentage	Total Grant	Percentage
Villages: (continued)									
Mount Stewart	$ 5,708	$ 2,640	46.25	$ 1,500	26.28	$ -	-	$ 4,140	72.53
Murray Harbour	3,797	2,478	65.26	1,260	33.18	-	-	3,738	98.45
Murray River	3,743	3,156	84.31	902	24.10	-	-	4,058	108.42
North Rustico	17,189	5,647	32.85	837	4.87	-	-	6,484	37.72
O'Leary	25,539	4,578	17.93	425	1.66	-	-	5,003	19.59
Parkdale	129,641	13,788	10.64	1,500	1.16	-	-	15,288	11.79
St. Eleanors	132,337	9,378	7.09	1,016	.77	-	-	10,394	7.85
St. Louis	257	175	68.09	-	-	-	-	175	68.09
St. Peters	9,607	1,758	18.30	1,500	15.61	-	-	3,258	33.91
Sherwood	188,338	20,448	10.86	1,500	.80	-	-	21,948	11.66
Tignish	29,966	5,976	19.94	-	-	-	-	5,976	19.94
Tyne Valley	5,175	996	19.25	-	-	-	-	996	19.25
Victoria	4,212	1,272	30.20	1,193	28.32	-	-	2,465	58.52
Wellington	6,165	2,130	34.55	-	-	-	-	2,130	34.55
Wilmot	27,621	3,894	14.10	-	-	-	-	3,894	14.10
Charlottetown	3,602,024	221,124	6.14	-	-	46,250	1.28	267,374	7.42
Summerside	1,164,101	120,504	10.35	500	.04	27,084	2.33	148,088	12.72
Other Towns	386,493	76,716	19.89	5,668	1.47	17,920	4.64	100,304	25.95
Total Villages	662,373	96,374	14.55	19,517	2.95	-	-	115,891	17.50
Grand Total	5,814,991	514,718	8.85	25,685	.44	91,254	1.57	631.657	10.86

TOUCHE ROSS & CO.

SCHEDULE #III
FISCAL YEAR ENDED DECEMBER 31, 1971
GRANTS TO MUNICIPALITIES AS A PERCENTAGE OF EXPENDITURES

MUNICIPALITY	Total Expenditure	Per Capita	Percentage	Fire Fighting	Percentage	Sub-Total (Other)	Percentage	Total Grant	Percentage
Cities:									
Charlottetown	$3,804,804	$223,572	5.88	$ -	-	$46,250	1.22	$269,822	7.10
Towns:									
Alberton	56,104	11,664	20.78	695	1.24	3,203	5.71	15,562	27.74
Borden	40,698	7,560	18.58	671	1.65	-	-	8,231	20.22
Georgetown	31,506	9,180	29.14	1,209	3.84	-	-	10,389	32.97
Kensington	178,843	12,948	7.24	1,350	.75	5,234	2.93	19,532	10.92
Montague	68,202	19,128	28.05	1,500	2.20	7,786	11.42	28,414	41.66
Souris	108,178	16,380	15.14	2,144	1.98	3,739	3.46	22,263	20.58
Summerside *	1,813,947	120,504	6.64	500	0.03	25,630	1.41	146,634	8.08
Villages:									
Bunbury	7,444	2,880	38.69	-	-	-	-	2,880	38.69
Cardigan	3,960	939	23.71	1,500	37.88	-	-	2,439	61.59
Central Bedeque	1,195	522	43.68	-	-	-	-	522	43.68
Cornwall	19,703	3,612	18.33	-	-	-	-	3,612	18.33
Crapaud	9,166	1,686	18.39	380	4.14	-	-	2,066	22.54
Kinkora	6,822	1,680	24.63	625	9.16	-	-	2,305	33.79
Miminigash	5,137	690	13.43	1,500	29.20	-	-	2,190	42.63
Miscouche	15,490	4,410	28.47	740	4.78	-	-	5,150	33.25
Morell	17,030	2,418	14.20	533	3.13	-	-	2,951	17.33

Figures for Total Expenditures are taken from Appendix "E" of The Annual Report of the Department of Community Services with the exception of the Town of Summerside. These adjustments have been made to net out expenditures on the town's electrical utility in order to make Summerside's data comparable to that of the other municipalities.
All other figures taken from Schedule #I.

TOUCHE ROSS & CO.

SCHEDULE #III
FISCAL YEAR ENDED DECEMBER 31, 1971
GRANTS TO MUNICIPALITIES AS A PERCENTAGE OF EXPENDITURES

MUNICIPALITY	Total Expenditure	Per Capita	Percentage	Fire Fighting	Percentage	Sub-Total (Other)	Percentage	Total Grant	Percentage
Villages: (continued)									
Mount Stewart	$ 17,076	$ 2,616	15.32	$ 1,500	8.78	$ -	-	$ 4,116	24.10
Murray Harbour	7,075	2,474	34.97	1,500	21.20	-	-	3,974	56.17
Murray River	7,334	3,156	43.03	1,500	2.045	-	-	4,656	63.49
North Rustico	24,834	5,760	23.19	1,012	4.07	-	-	6,772	27.27
O'Leary	30,127	4,692	15.57	1,500	4.98	-	-	6,192	20.55
Parkdale	140,078	14,262	10.18	1,500	1.07	-	-	15,762	11.25
St. Eleanors	137,322	9,522	6.93	291	0.21	-	-	9,813	7.15
St. Louis	412	175	42.48	-	-	-	-	175	42.48
St. Peters	7,396	1,760	23.80	353	4.77	-	-	2,113	28.57
Sherwood	222,353	22,524	10.13	1,500	0.67	-	-	24,024	10.80
Tignish	32,472	5,976	18.40	1,500	4.62	1,515	4.67	8,991	27.69
Tyne Valley	15,394	996	6.47	1,500	9.74	-	-	2,496	16.21
Victoria	3,666	1,320	36.01	1,265	34.51	-	-	2,585	70.51
Wellington	10,223	2,130	20.84	1,500	14.67	-	-	3,630	35.51
Wilmot	31,768	4,290	13.50	-	-	1,672	5.26	5,962	18.77
Charlottetown	3,804,804	223,572	5.88	-	-	46,250	1.22	269,822	7.10
Summerside	1,813,947	120,504	6.64	500	.03	25,630	1.41	146,634	8.08
Other Towns	483,531	76,860	15.89	7,569	1.56	19,962	4.13	104,391	21.59
Total Villages	773,477	100,490	12.99	21,699	2.81	3,187	0.41	125,376	16.21
Grand Total	6,875,759	521.426	7.58	29,768	0.43	95,029	1.38	646,223	9.39

SCHEDULE #III
FISCAL YEAR ENDED DECEMBER 31, 1972
GRANTS TO MUNICIPALITIES AS A PERCENTAGE OF EXPENDITURES

MUNICIPALITY	Total Expenditure	Per Capita	Percentage	Fire Fighting	Percentage	Sub-Total (Other)	Percentage	Total Grant	Percentage
Cities:									
Charlottetown	$3,736,228	$229,596	6.15	$ -	-	$46,250	1.24	$275,846	7.39
Towns:									
Alberton	59,811	11,676	19.52	511	.85	11,793	19.72	23,980	40.09
Borden	44,514	8,496	19.09	561	1.26	-	-	9,057	20.35
Georgetown	41,524	9,204	22.17	579	1.39	-	-	9,783	23.56
Kensington	70,137	13,032	18.58	1,289	1.84	12,559	17.91	26,880	38.32
Montague	96,190	19,296	20.06	1,500	1.56	12,616	13.12	33,412	34.74
Souris	116,001	17,856	15.39	1,174	1.01	166	.14	19,196	16.55
Summerside	1,587,280 *	113,268	7.14	500	0.03	1,454	0.09	115,222	7.26
Villages:									
Bunbury	10,189	3,132	30.74	-	-	-	-	3,132	30.74
Cardigan	3,104	1,231	39.66	126	4.06	-	-	1,357	43.72
Central Bedeque	1,403	522	37.21	-	-	-	-	522	37.21
Cornwall	26,884	4,112	15.30	-	-	-	-	4,112	15.30
Crapaud	9,261	1,686	18.21	237	2.56	-	-	1,923	20.76
Kinkora	7,210	1,680	23.30	559	7.73	-	-	2,239	31.05
Miminigash	6,047	1,587	26.24	416	6.88	-	-	2,003	33.12
Miscouche	14,566	4,464	30.65	455	3.12	-	-	4,919	33.77
Morell	31,743	2,418	7.62	163	.51	-	-	2,581	8.13

Figures for Total Expenditures are taken from Appendix "E" of the Annual Report of the Department of Community Services with the exception of the Town of Summerside. These adjustments have been made to net out expenditures on the town's electrical utility in order to make Summerside's data comparable to that of the other Municipalities.
All other figures taken from Schedule #I.

TOUCHE ROSS & CO.

SCHEDULE #III
FISCAL YEAR ENDED DECEMBER 31, 1973
GRANTS TO MUNICIPALITIES AS A PERCENTAGE OF EXPENDITURES

TOUCHE ROSS & CO.

MUNICIPALITY	Total Expenditures	Per Capita	Percentage	Fire Fighting	Percentage	Sub-Total (Other)	Percentage	Total Grant	Percentage
Villages (Cont'd)									
Mount Stewart	38,768	2,478	6.39	1,800	4.64	30,000	77.38	34,278	88.42
Murray Harbour	7,530	2,544	33.78	2,000	26.56	-	-	4,544	60.35
Murray River	13,518	2,868	21.22	1,270	9.39	-	-	4,138	30.61
North Rustico	20,368	4,764	23.39	1,675	8.22	-	-	6,439	31.61
O'Leary	36,260	4,788	13.20	2,000	5.52	-	-	6,788	18.72
Parkdale	160,685	14,000	8.71	2,000	1.24	-	-	16,000	9.96
St. Eleanors	113,666	11,820	10.40	2,988	2.63	-	-	14,808	13.03
St. Louis	1,099	188	17.11	-	-	-	-	188	17.11
St. Peters	7,161	2,220	31.00	633	8.84	-	-	2,853	39.84
Sherwood	288,471	24,456	8.48	2,000	.69	-	-	26,456	9.17
Southport	11,229	3,840	34.20	-	-	-	-	3,840	34.20
Tignish	67,944	6,360	9.36	2,500	3.68	500	.74	9,360	13.78
Tyne Valley	2,957	900	30.44	-	-	-	-	900	30.44
Victoria	4,822	1,212	25.13	582	12.07	-	-	1,794	37.20
Wellington	18,057	2,082	11.53	2,000	11.08	-	-	4,082	22.61
Wilmot	56,188	4,860	8.65	2,000	3.56	22,676	40.36	29,536	52.57
Charlottetown	3,350,423	229,596	6.85	-	-	46,250	1.38	275,846	8.23
Summerside	1,263,462	113,268	8.96	500	.04	25,878	2.05	139,646	11.05
Other Towns	618,085	78,756	12.74	9,617	1.55	50,641	8.19	139,014	22.49
Total Villages	1,030,982	112,018	10.87	29,310	2.84	53,176	5.16	194,504	18.87
Grand Total	6,262,952	533,638	8.53	39,427	.63	175,945	2.81	749,010	11.96

SCHEDULE #III
FISCAL YEAR ENDED DECEMBER 31, 1973
GRANTS TO MUNICIPALITIES AS A PERCENTAGE OF EXPENDITURES

MUNICIPALITY	Total Expenditures	Per Capita	Percentage	Fire Fighting	Percentage	Sub-Total (Other)	Percentage	Total Grant	Percentage
Cities:									
Charlottetown	$3,350,423	$229,596	6.85	$ -	-	$ 46,250	1.38	$275,849	8.23
Towns:									
Alberton	69,559	12,252	17.61	820	1.18	4,671	6.71	17,743	25.50
Borden	54,935	7,800	14.19	797	1.45	33,009.	60.09	41,606	75.73
Georgetown	69,282	9,204	13.28	2,000	2.89	3,789	5.47	14,993	21.64
Kensington	92,695	13,032	14.06	2,000	2.16	9,172	9.89	24,204	26.11
Montague	117,371	19,296	16.44	2,000	1.70	-	-	21,296	18.14
Souris	114,243	17,172	15.03	2,000	1.75	-	-	19,172	16.78
Summerside	1,363,462	113,268	8.30	500	.04	25,878	1.90	139,646	10.24
Villages:									
Bunbury	13,268	3,162	23.83	-	-	-	-	3,162	23.83
Cardigan	3,909	1,608	41.13	310	7.93	-	-	1,918	49.07
Central Bedeque	2,503	1,032	41.23	-	-	-	-	1,032	41.23
Cornwall	49,910	4,338	8.69	-	-	-	-	4,338	8.69
Crapaud	13,353	1,422	10.65	349	2.61	-	-	1,771	13.26
Kinkora	8,286	1,692	20.42	440	5.31	-	-	2,132	25.73
Miminigash	10,190	2,502	24.55	2,000	19.63	-	-	4,502	44.18
Miscouche	14,758	4,560	30.90	1,513	10.25	-	-	6,073	41.15
Morell	66,082	2,322	3.51	1,250	.15	-	-	3,572	5.41

Figures for Total Expenditures are taken from Appendix "E" of the Annual Report of the Department of Community Services with the exception of the Town of Summerside. These adjustments have been made to net out expenditures on the town's electrical utility in order to make Summerside's data comparable to that of the other Municipalities.
All other figures taken from Schedule #1.

TOUCHE ROSS & CO.

SCHEDULE #III
FISCAL YEAR ENDED DECEMBER 31, 1973
GRANTS TO MUNICIPALITIES AS A PERCENTAGE OF EXPENDITURES

MUNICIPALITY	Total Expenditures	Per Capita	Percentage	Fire Fighting	Percentage	Sub-Total (Other)	Percentage	Total Grant	Percentage
Villages (Cont'd)									
Mount Stewart	38,768	2,478	6.39	1,800	4.64	30,000	77.38	34,278	88.42
Murray Harbour	7,530	2,544	33.78	2,000	26.56	-	-	4,544	60.35
Murray River	13,518	2,868	21.22	1,270	9.39	-	-	4,138	30.61
North Rustico	20,368	4,764	23.39	1,675	8.22	-	-	6,439	31.61
O'Leary	36,260	4,788	13.20	2,000	5.52	-	-	6,788	18.72
Parkdale	160,685	14,000	8.71	2,000	1.24	-	-	16,000	9.96
St. Eleanors	113,666	11,820	10.40	2,988	2.63	-	-	14,808	13.03
St. Louis	1,099	188	17.11	-	-	-	-	188	17.11
St. Peters	7,161	2,220	31.00	633	8.84	-	-	2,853	39.84
Sherwood	288,471	24,456	8.48	2,000	.69	-	-	26,456	9.17
Southport	11,229	3,840	34.20	-	-	-	-	3,840	34.20
Tignish	67,944	6,360	9.36	2,500	3.68	500	.74	9,360	13.78
Tyne Valley	2,957	900	30.44	-	-	-	-	900	30.44
Victoria	4,822	1,212	25.13	582	12.07	-	-	1,794	37.20
Wellington	18,057	2,082	11.53	2,000	11.08	-	-	4,082	22.61
Wilmot	56,188	4,860	8.65	2,000	3.56	22,676	40.36	29,536	52.57
Charlottetown	3,350,423	229,596	6.85	-	-	46,250	1.38	275,846	8.23
Summerside	1,263,462	113,268	8.96	500	.04	25,878	2.05	139,646	11.05
Other Towns	618,085	78,756	12.74	9,617	1.55	50,641	8.19	139,014	22.49
Total Villages	1,030,982	112,018	10.87	29,310	2.84	53,176	5.16	194,504	18.87
Grand Total	6,262,952	533,638	8.53	39,427	.63	175,945	2.81	749,010	11.96

TOUCHE ROSS & CO.

SCHEDULE #IV-A
FISCAL YEAR ENDED DECEMBER 31, 1973
GRANTS TO MUNICIPALITIES PER $100 OF PROPERTY ASSESSMENT (EX BUSINESS)

MUNICIPALITY	Assessment	Per Capita	Per Capita Per $100 Assessment	Fire Fighting	Per $100 Assessment	Sub-Total (Other)	Per $100 Assessment	Total Grant	Per $100 Assessment
Cities:									
Charlottetown	$127,920,926	$229,596	$0.18	$ -	$ -	$ 46,250	$0.04	$275,846	$0.22
Towns:									
Alberton	3,857,679	12,252	.32	820	.02	4,671	.12	17,743	.46
Borden	1,305,987	7,800	.60	797	.06	33,009	2.53	41,606	3.19
Georgetown	2,569,700	9,204	.36	2,000	.08	3,789	.15	14,993	.58
Kensington	3,838,144	13,032	.40	2,000	.05	9,172	.24	24,204	.63
Montague	8,291,983	19,296	.23	2,000	.02	-	-	21,296	.26
Souris	3,880,403	17,172	.44	2,000	.05	-	-	19,172	.49
Summerside	36,415,900	113,268	.31	500	.01	25,878	.07	139,646	.38
Villages									
Bunbury	2,768,407	3,162	.11	-	-	-	-	3,162	.11
Cardigan	564,498	1,608	.28	310	.05	-	-	1,918	.34
Central Bedeque	630,555	1,032	.16	-	-	-	-	1,032	.16
Cornwall	3,369,025	4,338	.13	-	-	-	-	4,338	.13
Crapaud	1,215,620	1,422	.12	349	.03	-	-	1,771	.15
Kinkora	559,982	1,692	.30	440	.08	-	-	2,132	.38
Miminigash	597,154	2,502	.42	2,000	.34	-	-	4,502	.75
Miscouche	1,156,259	4,560	.40	1,513	.13	-	-	6,073	.53
Morell	1,299,557	2,322	.18	1,250	.10	-	-	3,572	.27

Figures for assessment taken from working papers for 1973 supplied by the Department of Community Services.
All other figures taken from Schedule #1.

TOUCHE ROSS & CO.

SCHEDULE #IV-A
FISCAL YEAR ENDED DECEMBER 31, 1973
GRANTS TO MUNICIPALITIES PER $100 OF PROPERTY ASSESSMENT (EX BUSINESS)

MUNICIPALITY	Assessment	Per Capita	Per Capita Per $100 Assessment	Fire Fighting	Per $100 Assessment	Sub-Total (Other)	Per $100 Assessment	Total Grant	Per $100 Assessment
Villages: (continued)									
Mount Stewart	$ 717,382	$ 2,478	$0.35	$ 1,800	$0.25	$ 30,000	$4.18	$ 34,278	$4.78
Murray Harbour	1,556,730	2,544	.16	2,000	.13	-	-	4,544	.29
Murray River	1,616,800	2,868	.18	1,270	.08	-	-	4,138	.26
North Rustico	1,239,033	4,764	.38	1,675	.14	-	-	6,439	.52
O'Leary	2,811,526	4,788	.17	2,000	.07	-	-	6,788	.24
Parkdale	13,785,800	14,000	.11	2,000	.01	-	-	16,000	.12
St. Eleanors	13,489,798	11,820	.09	2,988	.02	-	-	14,808	.11
St. Louis	341,936	188	.05	-	-	-	-	188	.05
St. Peters	587,073	2,220	.38	633	.10	-	-	2,853	.49
Sherwood	21,947,785	24,456	.11	2,000	.01	-	-	26,456	.12
Southport	2,630,447	3,840	.15	-	-	-	-	3,840	.15
Tignish	2,324,450	6,360	.27	2,500	.11	500	.02	9,360	.40
Tyne Valley	461,407	900	.20	-	-	-	-	900	.20
Victoria	436,800	1,212	.28	582	.13	-	-	1,794	.41
Wellington	720,325	2,082	.28	2,000	.28	-	-	4,082	.57
Wilmot	3,816,925	4,860	.13	2,000	.05	22,676	.59	29,536	.77
Charlottetown	127,920,926	229,596	.18	-	-	46,250	.04	275,846	.22
Summerside	36,415,900	113,268	.31	500	.001	25,878	.07	139,646	.38
Other Towns	23,743,896	78,756	.33	9,617	.04	50,641	.21	139,014	.59
Total Villages	80,645,274	112,018	.14	29,310	.04	53,176	.06	194,504	.24
Grand Total	268,725,996	533,638	.20	39,427	.01	175,945	.07	749,010	.28

TOUCHE ROSS & CO.

SCHEDULE #IV-A
FISCAL YEAR ENDED DECEMBER 31, 1974
GRANTS TO MUNICIPALITIES PER $100 OF PROPERTY ASSESSMENT (EX BUSINESS)

						OTHER									
MUNICIPALITY	Assessment	Per Capita	Per $100 Assess-ment	Fire Fighting	Per $100 Assess-ment	Desig-nated Streets	Per $100 Assess-ment	Non-Desig-nated Streets	Per $100 Assess-ment	Sewage	Per $100 Assess-ment	Sub-Total (Other)	Per $100 Assess-ment	Total Grant	Per $100 Assess-ment
Charlottetown	$141,879,780	$344,394	$0.24	$ 2,500	$0.001	$120,750	$0.08	$ 46,000	$0.03	$ 40,000	$0.02	$206,750	$0.15	$ 553,644	$0.39
Summerside	43,720,400	169,902	.39	2,500	.005	52,440	.12	27,000	.06	75,000	.17	154,440	.35	326,842	.75
Other towns	26,672,196	160,704	.60	15,000	.06	-	-	27,000	.10	42,500	.16	69,500	.26	245,204	.92
Villages	95,085,110	150,000	.16	55,000	.06	-	-	-	-	42,500	.04	42,500	.04	247,500	.26
Grand total	307,357,486	825,000	.27	75,000	.02	173,190	.06	100,000	.03	200,000	.07	473,190	.45	1,373,190	.45

Source:
Assessment taken from data calculated as of January 31, 1974 and supplied by the Department of Community Services.
All other figures taken from Schedule #1.

TOUCHE ROSS & CO.

SCHEDULE #IV-B
FISCAL YEAR ENDED DECEMBER 31, 1973
GRANTS TO MUNICIPALITIES PER $100 OF TOTAL ASSESSMENT

MUNICIPALITY	Assessment	Per Capita	Per $100 Assessment	Fire Fighting	Per $100 Assessment	Sub-Total (Other)	Per $100 Assessment	Total Grant	Per $100 Assessment
Cities:									
Charlottetown	$156,586,821	$229,596	$0.15	$ -	$ -	$ 46,250	$0.03	$275,846	$0.18
Towns:									
Alberton	4,354,179	12,252	.28	820	.02	4,671	.11	17,743	.41
Borden	1,657,187	7,800	.47	797	.04	33,009	1.99	41,606	2.51
Georgetown	3,928,500	9,204	.23	2,000	.05	3,789	.10	14,993	.38
Kensington	4,563,544	13,032	.29	2,000	.04	9,172	.20	24,204	.53
Montague	9,530,653	19,296	.20	2,000	.02	-	-	21,296	.22
Souris	4,767,503	17,172	.36	2,000	.04	-	-	19,172	.40
Summerside	45,119,200	113,268	.25	500	.001	25,878	.05	139,646	.31
Villages:									
Bunbury	2,832,807	3,162	.11	-	-	-	-	3,162	.11
Cardigan	659,498	1,608	.24	310	.05	-	-	1,918	.29
Central Bedeque	815,455	1,032	.13	-	-	-	-	1,032	.13
Cornwall	3,571,625	4,338	.12	-	-	-	-	4,338	.12
Crapaud	1,383,320	1,422	.10	349	.03	-	-	1,771	.13
Kinkora	582,882	1,692	.29	440	.08	-	-	2,132	.37
Miminigash	790,554	2,502	.32	2,000	.25	-	-	4,502	.57
Miscouche	1,197,259	4,560	.38	1,513	.13	-	-	6,073	.51
Morell	1,498,257	2,322	.15	1,250	.08	-	-	3,572	.24

Figures for assessment taken from working papers for 1973 supplied by the Department of Community Services.
All other figures taken from Schedule #I.

TOUCHE ROSS & CO.

SCHEDULE #IV-B
FISCAL YEAR ENDED DECEMBER 31, 1973
GRANTS TO MUNICIPALITIES PER $100 OF TOTAL ASSESSMENT

MUNICIPALITY	Assessment	Per Capita	Per $100 Assessment	Fire Fighting	Per $100 Assessment	Sub-Total (Other)	Per $100 Assessment	Total Grant	Per $100 Assessment
Villages: (continued)									
Mount Stewart	$ 791,782	$ 2,478	$0.31	$ 1,800	$0.23	$ 30,000	$3.79	$ 34,278	$4.33
Murray Harbour	1,640,230	2,544	.16	2,000	.12	-	-	4,544	.28
Murray River	1,748,500	2,868	.16	1,270	.07	-	-	4,138	.24
North Rustico	1,440,633	4,764	.33	1,675	.12	-	-	6,439	.45
O'Leary	3,459,126	4,788	.14	2,000	.06	-	-	6,788	.20
Parkdale	16,789,900	14,000	.08	2,000	.01	-	-	16,000	.10
St. Eleanors	14,553,998	11,820	.08	2,988	.02	-	-	14,808	.10
St. Louis	416,836	188	.05	-	-	-	-	188	.05
St. Peters	639,273	2,220	.35	633	.10	-	-	2,853	.45
Sherwood	22,721,085	24,456	.11	2,000	.008	-	-	26,456	.12
Southport	2,734,647	3,840	.14	-	-	-	-	3,840	.14
Tignish	2,728,250	6,360	.23	2,500	.09	500	.02	9,360	.34
Tyne Valley	511,107	900	.18	-	-	-	-	900	.18
Victoria	460,700	1,212	.26	582	.13	-	-	1,794	.39
Wellington	814,825	2,082	.25	2,000	.25	-	-	4,082	.50
Wilmot	4,199,125	4,860	.12	2,000	.05	22,676	.54	29,536	.70
Charlottetown	156,586,821	229,596	.15	-	-	46,250	.03	275,846	.18
Summerside	45,119,200	113,268	.25	500	.001	25,878	.06	139,646	.31
Other Towns	28,801,566	78,756	.28	9,617	.03	50,641	.16	139,014	.48
Total Villages	88,981,674	112,018	.13	29,310	.03	53,176	.06	194,504	.22
Grand Total	319,489,261	533,638	.17	39,427	.01	175,945	.06	749,010	.23

TOUCHE ROSS & CO.

SCHEDULE #IV-B
FISCAL YEAR ENDED DECEMBER 31, 1974
GRANTS TO MUNICIPALITIES PER $100 OF TOTAL ASSESSMENT

MUNICIPALITY	Assessment	Per Capita	Per $100 Assessment	Fire Fighting	Per $100 Assessment	OTHER									
						Designated Streets	Per $100 Assessment	Non-Designated Streets	Per $100 Assessment	Sewage	Per $100 Assessment	Sub-Total (Other)	Per $100 Assessment	Total Grant	Per $100 Assessment
Charlottetown	$178,222,409	$344,394	$0.19	$ 2,500	$0.001	$120,750	$0.07	$ 46,000	$0.03	$ 40,000	$0.02	$206,750	$0.12	$ 553,644	$0.31
Summerside	52,267,700	169,902	.33	2,500	.004	52,440	.10	27,000	.05	75,000	.14	154,440	.30	326,842	.63
Other towns	31,903,866	160,704	.50	15,000	.05	-	-	27,000	.08	42,500	.13	69,500	.22	245,204	.77
Villages	105,592,640	150,000	.14	55,000	.05	-	-	-	-	42,500	.04	42,500	.04	247,500	.24
Grand total	367,986,615	825,000	.22	75,000	.02	173,190	.05	100,000	.03	200,000	.05	473,190	.13	1,373,190	.37

Source:
Assessment taken from data calculated as of January 31, 1974 and supplied by the Department of Community Services.
All other figures taken from Schedule #1.

TOUCHE ROSS & CO.